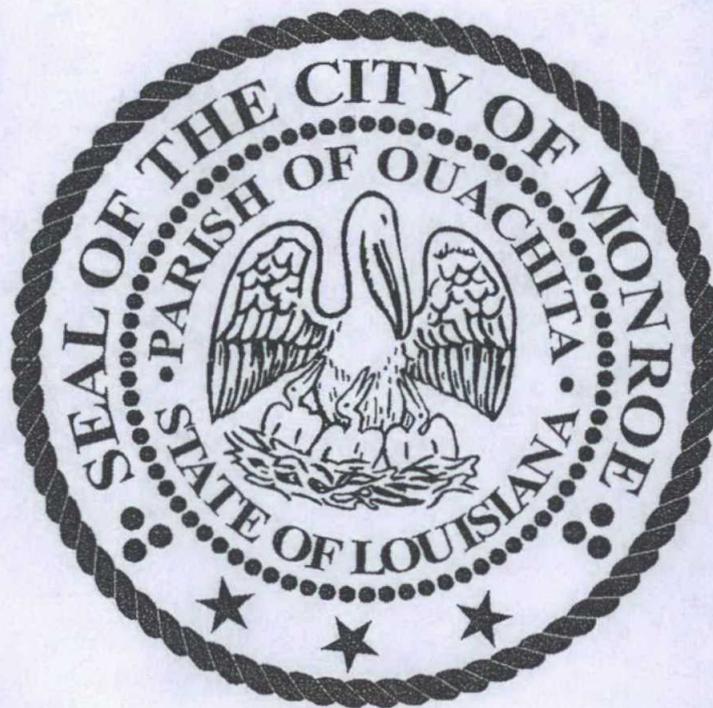


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ANNUAL FINANCIAL REPORT

CITY OF MONROE, LOUISIANA



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 10 2014

**For The Year Ended
April 30, 2014**

CITY OF MONROE
Financial Statements
As of and for the Year Ended April 30, 2014

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CITY OF MONROE

**Financial Statements
As of and for the Year Ended April 30, 2014**

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***Denotes Schedule**

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***Denotes Schedule**

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
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INDEPENDENT AUDITOR'S REPORT

City of Monroe
Monroe, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe (the City) as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Monroe City Court or the Monroe City Marshal, which represent the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included in the component unit columns, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

**City of Monroe
Monroe, Louisiana**

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Monroe as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and Other Post Employment Benefits Schedules of Funding Progress and Employer Contributions on pages 5 through 13; pages 73 through 76 and page 77 respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Monroe's basic financial statements. The accompanying information listed as other supplemental information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local*

**City of Monroe
Monroe, Louisiana**

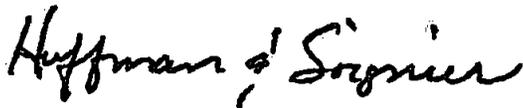
Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

This other supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information (except for the Schedule of Insurance Coverage) has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information and the schedule of expenditures of federal awards described above (except for the Schedule of Insurance Coverage) are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Schedule of Insurance Coverage, is the responsibility of management and is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



(A Professional Accounting Corporation)
October 31, 2014

Required Supplemental Information
(Part A)

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2014

As management of the City of Monroe (the City), we offer readers of the City of Monroe's financial statements this narrative overview and analysis of the financial activities of the City of Monroe for the fiscal year ended April 30, 2014. It is designed to assist the reader in focusing on significant financial issues, identify changes in the city's financial position, and identify material deviations and individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government issued June 2001. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- The assets of the City of Monroe exceeded its liabilities at the close of the most recent fiscal year by \$219.8 million (*net position*). Of this amount, \$34.1 million represents the portion of net position which is restricted for capital improvements, debt service and other externally imposed restrictions.
- The government's total net position decreased by approximately \$1.8 million.
- As of the close of the current fiscal year, the City of Monroe's governmental funds reported combined ending fund balances of \$83.6 million, a decrease of \$3.4 million in comparison with the prior year. Of this total amount, approximately \$13.8 million is in unassigned fund balance.
- At the end of the current fiscal year, approximately \$.5 million of the General Fund's fund balance was reserved for inventories and prepaid items.
- The City of Monroe's total debt decreased by approximately \$8.0 million during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Monroe's basic financial statements. The City of Monroe's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Not only do the government-wide financial statements include the City itself which is the primary government, but also its component units, Monroe City Court and Monroe City Marshal. Although these component units are legally separate, their operational or financial relationship with the City makes the City financially accountable.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2014

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Monroe's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Monroe's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Monroe is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Monroe that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Monroe include general government, public safety, public works, economic development, health and welfare, and culture and recreation. The business-type activities of the City of Monroe include an airport, public transportation system, civic center, zoo, livestock arena, water and sewer systems.

The government-wide financial statements include not only the City of Monroe itself (known as the primary government), but also a legally separate City Court and a legally separate City Marshal for which the City of Monroe is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Monroe, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Monroe can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2014

Because the focus of governmental funds is more narrow than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Monroe maintains 68 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Infrastructure Special Revenue Fund, Sales Tax Debt Service Fund, and I-20 Corridor Improvements, all of which are considered to be major funds. Data from the other 64 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Monroe adopts an annual appropriated budget for its General Fund, and all Special Revenue funds. Budgetary comparison statements have been provided for the General Fund and the Capital Infrastructure Special Revenue Fund to demonstrate compliance with this budget.

Proprietary funds. The City of Monroe maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. An internal service fund is an accounting device used to accumulate and allocate costs internally among the City of Monroe's various functions. Because the internal service fund predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Monroe's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Monroe's compliance with budgets for its major funds. The combining statements for non-major governmental funds are presented immediately following the required supplementary information.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2014

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Monroe, assets exceeded liabilities by approximately \$224.3 million at the close of the most recent fiscal year.

By far the largest amount of the City of Monroe's net position (\$189.9 million) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Monroe uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Monroe's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Monroe's Net Position
April 30, 2013 and 2012

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current & other assets	\$ 90,453,106	\$ 100,907,121	\$ 3,590,124	\$ 1,078,322	\$ 94,043,230	\$ 101,985,443
Capital assets	157,100,850	156,388,507	169,900,339	177,283,888	327,001,189	333,672,395
Total assets	<u>247,553,956</u>	<u>257,295,628</u>	<u>173,490,463</u>	<u>178,362,210</u>	<u>421,044,419</u>	<u>435,657,838</u>
Liabilities						
Current and other liabilities	8,094,763	10,342,332	2,464,377	2,325,173	10,559,140	12,667,505
Long-term liabilities	189,541,478	197,643,048	1,122,928	1,061,696	190,664,406	198,704,744
Total liabilities	<u>197,636,241</u>	<u>207,985,380</u>	<u>3,587,305</u>	<u>3,386,869</u>	<u>201,223,546</u>	<u>211,372,249</u>
Net Position						
Net investment in capital assets	90,074,628	88,671,831	98,839,558	101,266,982	188,914,186	189,938,813
Restricted	65,019,501	68,027,330			65,019,501	68,027,330
Unrestricted	(105,176,414)	(107,388,913)	71,063,600	73,708,359	(34,112,814)	(33,680,554)
Total net position	<u>\$ 49,917,715</u>	<u>\$ 49,310,248</u>	<u>\$ 169,903,158</u>	<u>\$ 174,975,341</u>	<u>\$ 219,820,873</u>	<u>\$ 224,285,589</u>

The deficit of \$105.2 million in unrestricted net position in the governmental activities represents the accumulated results of all past year's operations. The principal factors in the large unrestricted deficit are that the City has long term outstanding debt of approximately \$189.5 million as well as approximately \$90.1 million invested in capital assets. Capital assets and long term debt have historically not been reported in governmental funds, but under GASB 34 the reporting of these results in an unrestricted deficit in the governmental activities.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2014

City of Monroe's Changes in Net Position
For the years ended April 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 21,389,036	\$ 20,920,910	\$ 22,882,610	\$ 18,555,900	\$ 44,271,646	\$ 39,476,810
Operating grants and contributions	4,286,304	4,883,249	2,022,035	1,512,231	6,308,339	6,395,480
Capital grants and contributions	1,214,329	5,972,916	3,115,074	10,299,961	4,329,403	16,272,877
General revenues						
Property taxes	8,855,173	8,590,203	1,998,902	1,938,048	10,854,075	10,528,251
Sales taxes	62,838,605	60,846,244			62,838,605	60,846,244
Other taxes	977,910	1,003,304			977,910	1,003,304
Other general revenues	700,610	483,947	(36,777)	(301,722)	663,833	182,225
Total revenues	100,261,967	102,700,773	29,981,844	32,004,418	130,243,811	134,705,191
Expenses						
General government	27,545,756	23,254,941			27,545,756	23,254,941
Public safety	33,506,246	33,116,458			33,506,246	33,116,458
Public works	21,173,776	29,417,301			21,173,776	29,417,301
Culture and recreation	4,160,881	3,863,274			4,160,881	3,863,274
Planning and urban development	2,539,065	3,080,582			2,539,065	3,080,582
Economic development	108,413	1,493,583			108,413	1,493,583
Interest on debt	6,130,958	5,719,710			6,130,958	5,719,710
Judgements	109,568	252,807			109,568	252,807
Intergovernmental	2,100,665	9,026,505			2,100,665	9,026,505
Airport			4,789,469	4,641,770	4,789,469	4,641,770
Transit			5,570,764	5,305,452	5,570,764	5,305,452
Civic center			3,432,539	3,699,250	3,432,539	3,699,250
Zoo			1,568,254	1,707,326	1,568,254	1,707,326
Water			9,820,954	8,426,120	9,820,954	8,426,120
Sewer			9,505,236	9,224,629	9,505,236	9,224,629
Total expenses	97,375,328	109,225,161	34,687,216	33,004,547	132,062,544	142,229,708
Increase in net position						
before transfers & special items	2,886,639	(6,524,388)	(4,705,372)	(1,000,129)	(1,818,733)	(7,524,517)
Refund overpayment of sales tax	-	(1,053,741)	-	-	-	(1,053,741)
Transfers	366,807	(2,339,279)	(366,807)	2,339,279		
Change in net position	\$ 3,253,446	\$ (9,917,408)	\$ (5,072,179)	\$ 1,339,150	\$ (1,818,733)	\$ (8,578,258)

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2014

Governmental Activities (continued)

Expenses are classified by functions/programs. Public safety accounts for approximately \$33.5 million for fiscal year 2014. Other functions such as general government, public works, planning and urban development, culture and recreation and economic development totaled approximately \$55.5 million. The remaining costs represent payments for debt service and intergovernmental expenses totaling approximately \$8.4 million.

The related program revenues for fiscal year 2014 directly related to these expenses totaled \$26.9 million, which resulted in net program expenses of \$70.5 million. The remaining balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- Sales tax revenues are the largest and most significant source of revenue for the City of Monroe. It provides approximately \$36.0 million of General Fund revenues.
- Property taxes are the second largest revenue source to the City, generating approximately \$8.5 million of General Fund revenues.

Business-type activities. Business-type activities decreased the City of Monroe's net position by approximately \$5.1 million. Key elements of this increase are as follows:

- Airport decreased the City's net position by approximately \$1 million.
- Water Fund activities decreased net position by approximately \$1.7 million.
- Sewer Fund activities decreased net position by approximately \$2.1 million.
- Louisiana Purchase Gardens & Zoo increased the City's net position by approximately \$125,000.
- All other business-type activities decreased net position by approximately \$445,000.

Financial Analysis of the Government's Funds

As noted earlier, the City of Monroe uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City of Monroe's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Monroe's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2014

As of the end of the current fiscal year, the City of Monroe's governmental funds reported combined ending fund balances of \$83.6 million, a decrease of \$3.5 million in comparison with the prior year. Approximately \$66.2 million) of this total amount is restricted or non-spendable fund balance, and is not available for new spending. The remainder of fund balance, approximately \$17.4 million, is assigned or unassigned.

The General Fund is the chief operating fund of the City of Monroe. At the end of the current fiscal year, fund balance of the General Fund was approximately \$14.4 million of which approximately \$530,000 is reserved for inventories and prepaid items.

The fund balance of the City of Monroe's General Fund increased by approximately \$135,000 during the current fiscal year.

The special revenue funds have a total fund balance of \$30.8 million, of which approximately \$9.3 million is restricted for debt service and \$10.8 million to public works related to the Capital Infrastructure Fund.

The debt service funds have a total fund balance of \$14.2 million, all of which is restricted for the payment of debt service.

The capital project funds have a fund balance of approximately \$24.3 million all of which is restricted for capital improvements.

General Fund Budgetary Highlights

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA- R.S 39:1301 et seq), the City of Monroe must adopt a budget for the General Fund and all Special Revenue funds prior to April 30. The original budget for the City was adopted on April 9, 2013, and the final budget amendment was adopted on April 22, 2014.

The total difference between the original General Fund budget and the final amended budget was an increase in appropriations of \$2.3 million and an increase in anticipated revenues of approximately \$2.0 million. The majority of the appropriation increase was due to increases in appropriations for Administration (\$624,000) and Capital (\$1.4 million) The increase in anticipated revenues was due to an increase in sales taxes (\$1.4 million) and an increase in property taxes (\$549,000).

Capital Asset and Debt Administration

Capital assets. The City of Monroe's investment in capital assets for its governmental and business type activities as of April 30, 2014, amounts to approximately \$327 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2014

City of Monroe Capital Assets
(Net of Accumulated Depreciation)
April 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 20,158,900	\$ 20,004,058	\$ 5,542,940	\$ 5,542,940	25,701,840	25,546,998
Buildings and improvements	41,072,504	40,441,527	72,704,829	74,273,629	113,777,333	114,715,156
Equipment and furniture	32,063,509	29,741,179	20,036,757	19,094,408	52,100,266	48,835,587
Construction in progress	14,841,972	8,273,936	5,056,851	6,626,221	19,898,823	14,900,157
Infrastructure	165,016,492	165,016,492	190,863,843	188,324,887	355,880,335	353,341,379
Total	273,153,377	263,477,192	294,205,220	293,862,085	567,358,597	557,339,277
Less: accumulated depreciation	(116,052,527)	(107,088,685)	(124,304,881)	(116,578,202)	(240,357,408)	(223,666,887)
Total Net Capital Assets	<u>\$ 157,100,850</u>	<u>\$ 156,388,507</u>	<u>\$ 169,900,339</u>	<u>\$ 177,283,883</u>	<u>\$ 327,001,189</u>	<u>\$ 333,672,390</u>

Major capital asset events during the current fiscal year included the following:

- Construction of sewer and water projects at an approximately total cost of \$4.0 million.
- Expenditures for a variety of street construction projects totaled \$13.0 million for the year.
- Construction on general infrastructure and general capital asset projects of approximately \$1.0 million.
- Improvement projects at the airport totaled approximately \$4.2 million.

City of Monroe
Management's Discussion and Analysis (MD&A)
April 30, 2014

City of Monroe Outstanding Debt
April 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Tax increment bonds	\$ 37,258,139	\$ 40,172,673			\$ 37,258,139	\$ 40,172,673
Certificates of indebtedness	-	330,000			-	330,000
Sales tax bonds	31,989,073	34,013,940			31,989,073	34,013,940
Sales tax refunding bonds	68,548,718	71,599,526			68,548,718	71,599,526
Airport revenue bonds	17,360,000	17,800,000			17,360,000	17,800,000
Claims and judgments	9,754,763	9,969,993			9,754,763	9,969,993
Capital leases	2,798,901	3,135,985			2,798,901	3,135,985
Notes payable	3,229,366	4,000,000			3,229,366	4,000,000
Compensated absences	5,939,694	5,868,924	\$ 1,122,928	\$ 1,061,696	7,062,622	6,930,620
Other post-employment	12,662,824	10,752,007			12,662,824	10,752,007
Total	<u>\$ 189,541,478</u>	<u>\$ 197,643,048</u>	<u>\$ 1,122,928</u>	<u>\$ 1,061,696</u>	<u>\$ 190,664,406</u>	<u>\$ 198,704,744</u>

The City of Monroe's total debt increased by approximately \$4.0 million (2.0%) during the current fiscal year.

Economic Factors and Next Year's Budgets and Rates

The City of Monroe is seeing new businesses in the Mid-town area of the city, and more is expected with the completion of the St. Francis Surgery Center in 2015. The City will continue to focus on economic development in the I-20 Corridor. Adjacent to that area is the Air Industrial Park, which the city markets heavily with its easy access to rail, air and major highways. The city plans to become an airport city by building up the area around the new \$42 million airport that is now complete. The city's sales tax collections are still on an upward trend. However, the recent announcement by St. Francis Hospital-Downtown of layoffs of nearly 300 employees will be a challenge to the city, and the effect on sales tax. As with other cities, the City of Monroe faces the constant challenges of water, sewer and drainage maintenance, for which the city continues to seek innovative funding sources. Also, as sales tax collections continue to increase, this provides additional funding for these types of projects through the 1.0% Capital Infrastructure sales tax. Overall, the City is meeting its immediate needs for citizen services while staying within budget and is also able to meet the unexpected challenges that arise.

Requests for Information

This financial report is designed to provide a general overview of the City of Monroe's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration, The City of Monroe, 400 Lea Joyner Memorial Expressway, Monroe, LA, 71201.

BASIC FINANCIAL STATEMENTS

**Government-Wide
Financial Statements**

CITY OF MONROE
Monroe, Louisiana
Statement of Net Position
April 30, 2014

	<u>Primary Government</u>			<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
ASSETS				
Cash and cash equivalents	\$ 78,997,996	\$ 2,542,067	\$ 81,540,063	\$ 1,556,994
Investments				19,620
Receivables	9,061,442	1,492,524	10,553,966	53,346
Internal balances	1,133,600	(1,133,600)		
Inventories	142,622	478,798	621,420	
Prepaid expenses	1,117,446	210,335	1,327,781	12,170
Capital assets, net	157,100,850	169,900,339	327,001,189	85,158
Total Assets	247,553,956	173,490,463	421,044,419	1,727,288
LIABILITIES				
Accounts payables and accrued expenses	3,717,844	813,752	4,531,596	269,028
Accrued payroll-related liabilities	1,785,208		1,785,208	10,461
Unearned revenues	26,482	42,579	69,061	
Bond premium	928,440		928,440	
Deposits due others		1,608,046	1,608,046	
Other current liabilities	74,651		74,651	
Accrued interest payable	1,562,138		1,562,138	
Noncurrent Liabilities				
Due within one year	10,545,005		10,545,005	3,956
Due in more than one year	178,996,473	1,122,928	180,119,401	5,460
Total Liabilities	197,636,241	3,587,305	201,223,546	288,905
NET POSITION				
Net investment in capital assets	90,074,628	98,839,558	188,914,186	75,744
Restricted for				
Debt service	23,480,086		23,480,086	
Capital improvements	35,580,615		35,580,615	
Externally imposed restrictions	5,958,800		5,958,800	
Unrestricted	(105,176,414)	71,063,600	(34,112,814)	1,362,639
Total Net Position	\$ 49,917,715	\$ 169,903,158	\$ 219,820,873	\$ 1,438,383

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Statement of Activities
For the Year Ended April 30, 2014

Functions/Programs	Net (Expenses) Revenues and Changes in Net Assets							Component Units
	Expenses	Program Revenues			Primary Government			
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 27,545,756	\$ 15,124,930	\$ 26,438	\$ 54	\$ (12,394,334)		\$ (12,394,334)	
Public safety	33,506,246	164,708	2,483,405	35,350	(30,822,783)		(30,822,783)	
Public works	21,173,776	5,060,101		1,036,704	(15,076,971)		(15,076,971)	
Culture and recreation	4,160,881	586,558	85,690	106,349	(3,382,284)		(3,382,284)	
Planning and urban development	2,539,065	362,493	1,466,323	35,872	(674,377)		(674,377)	
Economic development and assistance	108,413	90,246	224,448		206,281		206,281	
Debt service interest	6,043,889				(6,043,889)		(6,043,889)	
Capital lease interest	87,069				(87,069)		(87,069)	
Judgments	109,568				(109,568)		(109,568)	
Intergovernmental expenditures	2,100,665				(2,100,665)		(2,100,665)	
Total governmental activities	97,375,328	21,389,036	4,286,304	1,214,329	(70,485,659)		(70,485,659)	
Business-type activities								
Airport	4,789,469	3,051,049		1,468,415		\$ (270,005)	(270,005)	
Transit	5,570,764	686,548	2,022,035	747,779		(2,114,402)	(2,114,402)	
Civic Center	3,432,539	1,772,882		333,113		(1,326,544)	(1,326,544)	
Zoo	1,568,254	307,184		224,887		(1,036,183)	(1,036,183)	
Water	9,820,954	9,972,379		95,400		246,825	246,825	
Sewer	9,505,236	7,092,568		245,480		(2,167,188)	(2,167,188)	
Total business-type activities	34,687,216	22,882,610	2,022,035	3,115,074		(6,667,497)	(6,667,497)	
Total primary government	132,062,544	44,271,646	6,308,339	4,329,403	(70,485,659)	(6,667,497)	(77,153,156)	
Component units								
City Court	\$ 442,085	\$ 283,188						\$ (158,897)
City Marshal	343,608	262,991						(80,617)
Total component units	\$ 785,693	\$ 546,179						\$ (239,514)
Ad valorem tax					\$ 8,855,173	\$ 1,998,902	\$ 10,854,075	
Sales tax					62,838,605		62,838,605	
Other taxes					977,910		977,910	
Interest and investment earnings					277,976	3,454	281,430	2,768
Gain (Loss) on disposition of capital assets					312,833	(40,231)	272,602	
Miscellaneous					109,801		109,801	4,353
Transfers					366,807	(366,807)		
Total general revenues and separate line items					73,739,105	1,595,318	75,334,423	7,121
Changes in net position					3,253,446	(5,072,179)	(1,818,733)	(332,393)
Net position - beginning (as restated, see Note 22)					46,664,269	174,975,337	221,639,606	1,670,776
Net position - ending					\$ 49,917,715	\$ 169,903,158	\$ 219,820,873	\$ 1,438,383

The notes to the financial statements are an integral part of this statement.

Fund Financial Statements

CITY OF MONROE
Monroe, Louisiana
Balance Sheet
Governmental Funds
April 30, 2014

	Major Funds					Total
	General	Special Revenue Capital Infrastructure	Debt Service Sales Tax Debt Service	Capital Projects I-20 Corridor Improvements	Other	
ASSETS						
Cash and cash equivalents	\$ 11,624,102	\$ 18,904,830	\$ 7,333,021	\$ 14,683,375	\$ 25,089,593	\$ 77,634,921
Receivables (net)	3,943,033	1,256,183			3,022,402	8,221,618
Advances from other funds						
Due from other funds	1,303,683				1,684,414	2,988,097
Inventories	106,317					106,317
Prepaid expenses & other assets, net	423,153				694,293	1,117,446
Total Assets	\$ 17,400,288	\$ 20,161,013	\$ 7,333,021	\$ 14,683,375	\$ 30,490,702	\$ 90,068,399
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts and retainage payable	\$ 2,053,372	\$ 247		\$ 264,019	\$ 1,345,180	\$ 3,662,818
Accrued liabilities	822,586					822,586
Due to other funds	79,879	12,531			1,762,087	1,854,497
Unearned revenues	26,482					26,482
Other current liabilities	48,452				26,199	74,651
Total Liabilities	3,030,771	12,778		264,019	3,133,466	6,441,034
Fund Balances						
Nonspendable						
Prepaid expenses and other assets	423,153				694,293	1,117,446
Inventories	106,317					106,317
Spendable						
Restricted		20,148,235	\$ 7,333,021	14,419,356	23,118,889	65,019,501
Committed						
Assigned					4,004,460	4,004,460
Unassigned (deficit)	13,840,047				(460,406)	13,379,641
Total Fund Balances	14,369,517	20,148,235	7,333,021	14,419,356	27,357,236	83,627,365
Total Liabilities and Fund Balances	\$ 17,400,288	\$ 20,161,013	\$ 7,333,021	\$ 14,683,375	\$ 30,490,702	\$ 90,068,399

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
April 30, 2014

Fund balances --total governmental funds \$ 83,627,365

Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds

Governmental capital assets	\$ 269,436,092	
Less: accumulated depreciation	<u>(114,521,104)</u>	154,914,988

Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures.

Receivable - Sales tax increment - I-20 Corridor	260,000	
Receivable - Sales tax increment - Tower Drive	75,000	
Receivable - Capital grants	<u>504,822</u>	839,822

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued interest payable	(1,562,138)	
Bonds payable	(155,674,073)	
Deferred amount on refunding bonds	518,143	
Bond premium	(928,439)	
Compensated absences payable	(5,939,694)	
Obligation under capital leases	(2,798,901)	
Note payable	(3,229,366)	
Claims and judgments payable	(9,754,763)	
Other post-employment benefits	<u>(12,662,824)</u>	(192,032,055)

Internal service funds are used by management to account for the provision of repair and maintenance services and motor fuels to various City departments. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

Cash and cash equivalents	1,363,075	
Inventories	36,305	
Capital assets, net	2,185,863	
Accounts payable and accrued expenses	<u>(1,017,648)</u>	<u>2,567,595</u>

Net assets of governmental activities \$ 49,917,715

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2014

	Major Funds					Total
	Special Revenue		Debt Service		Capital Project	
	General	Capital Infrastructure	Sales Tax	I-20 Corridor	Other	
REVENUES						
Taxes						
Ad valorem	\$ 8,454,761				\$ 400,412	\$ 8,855,173
Other	977,910					977,910
Sales	35,968,775	\$ 15,312,078			11,553,639	62,834,492
Licenses, permits, and assessments	2,860,418					2,860,418
Intergovernmental						
Federal grants	199,798				2,019,423	2,219,221
State grants	2,081,847				848,496	2,930,343
Local grants					294,637	294,637
Fees, charges and commissions for services	7,544,943				1,545,258	9,090,201
Fines and forfeitures	709,883				15,450	725,333
Use of money and property	136,147	38,329	\$ 39,780	\$ 13,495	46,388	274,139
Other revenues	135,843				211,856	347,699
Total Revenues	59,070,325	15,350,407	39,780	13,495	16,935,559	91,409,566
EXPENDITURES						
Current						
General government						
Legislative	359,096					359,096
Judicial	2,316,330				76,168	2,392,498
Executive	910,744					910,744
Financial administration	10,024,292	40		16,759	177,100	10,218,191
Other general government	710,014				74,953	784,967
Public safety						
Police	13,026,594				3,463,539	16,490,133
Fire	12,307,366				3,837,063	16,144,429
Public works	10,041,114	850,045			224,671	11,115,830
Culture and recreation	3,070,255				638,863	3,649,118
Planning and urban development	1,018,108				1,507,126	2,525,234
Economic development and assistance				450	107,963	108,413
Capital outlay	959,739			716,014	11,919,855	13,595,608
Debt service						
Debt service principal	330,000		5,405,000		4,050,634	9,785,634
Debt service interest	12,375		4,048,902		2,153,711	6,214,988
Capital lease principal	156,249					156,249
Capital lease interest	87,069					87,069
Judgments	109,568					109,568
Total Expenditures	55,378,913	850,085	9,453,902	733,223	28,231,646	94,647,769
Excess (deficiency) of revenues over expenditures	3,691,412	14,500,322	(9,414,122)	(719,728)	(11,296,087)	(3,238,203)
Other Financing Sources (Uses)						
Sale of assets	113,996				220,750	334,746
Bond proceeds					75,132	75,132
Transfers in	867,802		10,153,117		5,647,587	16,668,506
Transfers out	(4,538,232)	(11,421,400)		(35,416)	(1,296,322)	(17,291,370)
Total Other Financing Sources (Uses)	(3,556,434)	(11,421,400)	10,153,117	(35,416)	4,647,147	(212,986)
Net changes in fund balances	134,978	3,078,922	738,995	(755,144)	(6,648,940)	(3,451,189)
Fund balances - beginning	14,234,539	17,069,313	6,594,026	15,174,500	34,006,176	87,078,554
Fund balances - ending	\$ 14,369,517	\$ 20,148,235	\$ 7,333,021	\$ 14,419,356	\$ 27,357,236	\$ 83,627,365

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds
to the Statement of Activities
For the Year Ended April 30, 2014

Net change in fund balances - total governmental funds		\$ (3,451,189)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay (net of \$2,100,665 capital contributions to business activities)	\$ 11,494,948	
Depreciation expense	<u>(10,667,212)</u>	827,736
<p>The net effect of various miscellaneous transactions involving capital assets, such as sales and trade-ins:</p>		
Proceeds for sales	(334,746)	
Gain (loss) on sales	<u>312,833</u>	(21,913)
<p>Some revenues will not be collected for several months after year-end they are not considered "available" revenues in the governmental funds.</p>		
Sales tax increment - I-20 Corridor	(1,261)	
Sales tax increment - Tower Drive	5,374	
Sales tax receivable		
Capital grants CY	504,822	
Capital grants PY	<u>(384,367)</u>	124,568
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Deferred bond issuance costs		
Amortization of bond issuance costs		
Deferred bond premium		
Amortization of bond premium	173,731	
Principal payments	9,785,634	
Proceeds for bonds and certificates	(75,132)	
Proceeds from capital lease		
Capital lease payments	<u>337,084</u>	10,221,317
<p>Proceeds from refunding debt are included in the Governmental Funds as Other Financing Sources. Refunding debt proceeds are not reported on the Statement of Activities but are reported as long-term liabilities on the Statement of Net Assets.</p>		
<p>Payments to an escrow agent to refund bonded debt are reported in Governmental Funds as Other Financing Sources. The amount paid to the escrow agent for principal is removed from the long-term bonded debt in the Statement of Net Assets. The deferred part of the payment paid to the escrow agent is shown as a reduction of long-term debt in the Statement of Net Assets. The deferred amount is amortized over the lesser of the life of the original bonds or the life of the refunding bonds.</p>		
Current year amortization	<u>(179,658)</u>	(179,658)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Accrued interest payable	171,099	
Compensated absences payable	(70,770)	
Claims and judgments payable	<u>215,230</u>	315,559
<p>Other post-employment benefits are reported in the governmental funds as expenditures when paid. The unfunded annual contribution is reported in the Statement of Activities as it accrues.</p>		
		(1,910,817)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.</p>		
		<u>(2,672,157)</u>
Change in net assets of governmental activities		<u>\$ 3,253,446</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Statement of Net Position
Proprietary Funds
April 30, 2014

	Business - Type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund	
	Major Funds							
	Monroe Regional Airport	Monroe Transit System	Monroe Civic Center	Louisiana Purchase Gardens & Zoo	Water Fund	Sewer Fund		Enterprise Total
ASSETS								
Current assets								
Cash and cash equivalents	\$ 1,033,770	\$ 800	\$ 10,500	\$ 2,500	\$ 1,469,469	\$ 25,028	\$ 2,542,067	\$ 1,363,075
Receivables (net)	248,439	17,106	15,393	13,239	622,452	575,895	1,492,524	
Due from other funds	2				447		449	
Inventories	14,346	146,155			318,297		478,798	36,305
Prepaid expenses & other assets, net		146,480	58,340	4,165	1,350		210,335	
Total current assets	1,296,557	310,541	84,233	19,904	2,412,015	600,923	4,724,173	1,399,380
Noncurrent assets								
Capital assets, net of accumulated depreciation								
Land	4,203,504	148,239	993,541		114,153	83,305	5,542,942	45,000
Buildings and improvements	52,226,825	3,223,797	12,965,774	3,168,784	191,730	927,920	72,704,830	3,406,242
Furniture & Equipment	1,851,879	6,885,389	1,649,723	394,948	3,495,267	4,232,064	18,509,270	266,043
Vehicles		1,527,486					1,527,486	
Infrastructure	16,508,585				46,838,742	127,516,516	190,863,843	
Construction in progress	1,010,769	96,919	94,117	224,887	2,064,519	1,565,639	5,056,850	
Accumulated depreciation	(14,617,767)	(7,671,660)	(11,274,441)	(2,898,710)	(26,535,476)	(61,306,828)	(124,304,882)	(1,531,422)
Total noncurrent assets	61,183,795	4,210,170	4,428,714	889,909	26,168,935	73,018,816	169,900,339	2,185,863
Total assets	62,480,352	4,520,711	4,512,947	909,813	28,580,950	73,619,739	174,624,512	3,585,243

(continued)

CITY OF MONROE
Monroe, Louisiana
Statement of Net Position (Concluded)
Proprietary Funds
April 30, 2014

	Business - Type Activities - Enterprise Funds							Governmental Activities - Internal Service Fund
	Major Funds							
	Monroe Regional Airport	Monroe Transit System	Monroe Clyde Center	Louisiana Purchase Gardens & Zoo	Water Fund	Sewer Fund	Enterprise Total	
LIABILITIES								
Current liabilities								
Accounts and retainage payable	22,582	126,422	42,956	28,249	384,569	208,975	813,753	55,026
Accrued liabilities								962,622
Advances from other funds						1,014,061	1,014,061	
Due to other funds	12,762				69,667	37,559	119,988	
Deferred revenue		15,826	23,448	3,305			42,579	
Customer deposits, net		2,500	11,972		1,593,574		1,608,046	
Total current liabilities	35,344	144,748	78,376	31,554	2,047,810	1,260,595	3,598,427	1,017,648
Noncurrent liabilities								
Compensated absences	39,993	352,805	62,421	95,401	240,172	332,135	1,122,927	
Total noncurrent liabilities	39,993	352,805	62,421	95,401	240,172	332,135	1,122,927	
Total liabilities	75,337	497,553	140,797	126,955	2,287,982	1,592,730	4,721,354	1,017,648
NET POSITION								
Unrestricted	62,405,015	4,023,158	4,372,150	782,858	26,292,968	72,027,009	169,903,158	2,567,595
Total net position	\$ 62,405,015	\$ 4,023,158	\$ 4,372,150	\$ 782,858	\$ 26,292,968	\$ 72,027,009	\$ 169,903,158	\$ 2,567,595

CITY OF MONROE
Monroe, Louisiana
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended April 30, 2014

	Business-type Activities - Enterprise Funds							Governmental Activities -
	Major Funds							
	Monroe Regional Airport	Monroe Transit System	Monroe Civic Center	Louisiana Purchase Gardens & Zoo	Water Fund	Sewer Fund	Enterprise Total	Internal Service Fund
Operating revenues								
Charges for services								\$ 8,411,161
Rent and fees	\$ 2,448,595	\$ 6,047	\$ 327,793	\$ 6,795			\$ 2,789,230	
Fares		635,141					635,141	
Advertising	12,365	36,732	7,500				56,597	
Ticket sales and other			1,094,145				1,094,145	
Admissions				208,920			208,920	
Concessions and rides			329,759	78,527			408,286	
Water sales					\$ 9,957,751		9,957,751	
Sewerage fees						\$ 7,092,568	7,092,568	
Other operating revenue	174,604	8,628	13,685	12,942	14,628		224,487	
Air Industrial Park rent	415,485						415,485	
Total operating revenues	3,051,049	686,548	1,772,882	307,184	9,972,379	7,092,568	22,882,610	8,411,161
Operating expenses								
Benefits paid to participants								10,243,604
Salaries, wages, and benefits	811,808	2,721,920	942,489	969,243	3,697,089	2,061,814	11,204,363	862,688
Materials, repairs, and supplies	429,128	1,481,326	167,527	278,412	2,267,370	1,639,944	6,263,907	11,329
Utilities and communications	329,915	118,925	483,139	89,030	732,147	685,022	2,438,178	39,905
Depreciation and amortization	3,045,698	844,549	480,702	99,159	1,879,727	4,356,298	10,706,133	93,479
Shop expenses								808,150
Insurance	10,608	256,592	114,397	14,736			396,333	
Promoter's expenses			863,441	9,968			873,409	
Other operating expenses	162,312	147,252	380,844	107,706	1,244,621	762,158	2,804,893	17,468
Total operating expenses	4,789,469	5,570,764	3,432,539	1,568,254	9,820,954	9,505,236	34,687,216	12,076,823
Operating income (loss)	(1,738,420)	(4,884,216)	(1,659,657)	(1,261,070)	151,425	(2,412,668)	(11,804,606)	(3,665,662)
Nonoperating revenues (expenses)								
Operating grants	266,628	2,769,814					3,036,442	
Gain (loss) on sale of assets	(58,122)	(9,579)				27,470	(40,231)	
Interest income			1,727	1,727			3,454	3,837
Interest expense								
Property taxes			999,451	999,451			1,998,902	
Total nonoperating revenues (expenses)	208,506	2,760,235	1,001,178	1,001,178	-	27,470	4,998,567	3,837
Income (loss) before contributions and transfers	(1,529,914)	(2,123,981)	(658,479)	(259,892)	151,425	(2,385,198)	(6,806,039)	(3,661,825)
Other financing sources (uses)								
Capital contributions	1,201,787		333,113	224,887	95,400	245,480	2,100,667	
Transfers in		1,808,769	195,047	160,366			2,164,182	989,668
Transfers out	(615,936)				(1,915,053)		(2,530,989)	
	585,851	1,808,769	528,160	385,253	(1,819,653)	245,480	(73,612)	989,668
Change in net assets	(944,063)	(315,212)	(130,319)	125,361	(1,668,228)	(2,139,718)	(5,072,179)	(2,672,157)
Total net position - beginning	63,349,078	4,338,370	4,502,469	657,497	27,961,196	74,166,727	174,975,337	5,239,752
Total net position - ending	\$ 62,405,015	\$ 4,023,158	\$ 4,372,150	\$ 782,858	\$ 26,292,968	\$ 72,027,009	\$ 169,903,158	\$ 2,567,595

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2014

	Business Type Activities - Enterprise Funds						Governmental Activities -	
	Major Funds							Internal Service Fund
	Monroe Regional Airport	Monroe Transit System	Monroe Civic Center	Louisiana Purchase Gardens & Zoo	Water Fund	Sewer Fund		
Cash flows from operating activities								
Cash received from customers	\$ 3,162,753	\$ 1,010,681	\$ 1,746,897	\$ 310,067	\$ 10,083,085	\$ 7,079,152	\$ 23,392,635	\$ 8,441,141
Cash payments to suppliers for goods and services	(944,546)	(2,148,218)	(2,017,904)	(514,071)	(3,928,540)	(4,975,533)	(14,578,812)	(10,766,506)
Cash payments to employees for services and benefits	(817,315)	(2,713,940)	(914,224)	(927,540)	(3,672,938)	(2,067,174)	(17,143,131)	(862,688)
Net cash provided by (used for) operating activities	<u>1,400,892</u>	<u>(3,851,477)</u>	<u>(1,185,231)</u>	<u>(1,161,544)</u>	<u>2,481,607</u>	<u>36,445</u>	<u>(2,279,308)</u>	<u>(3,188,053)</u>
Cash flows from noncapital financing activities								
Operating grants	266,628	2,769,814					3,036,442	
Ad valorem taxes			999,451	999,451			1,998,902	
Transfers in		1,808,769	195,047	160,366			2,164,182	989,668
Transfers out	(615,936)				(1,915,053)		(2,530,989)	
Net cash provided by (used for) noncapital financing activities	<u>(349,308)</u>	<u>4,578,583</u>	<u>1,194,498</u>	<u>1,159,817</u>	<u>(1,915,053)</u>		<u>4,668,537</u>	<u>989,668</u>
Cash flows from capital and related financing activities								
Capital Grants					95,400		95,400	
Acquisition of capital assets	(1,347,207)	(727,206)	(344,107)	(224,886)	(437,488)	(281,925)	(3,362,819)	
Cash contributed by City of Monroe	1,201,787		333,113	224,886		245,480	2,005,266	
Insurance Proceeds								
Principal paid on debt								
Interest paid on debt								
Net cash provided by (used for) financing activities	<u>(145,420)</u>	<u>(727,206)</u>	<u>(10,994)</u>		<u>(342,088)</u>	<u>(36,445)</u>	<u>(1,262,153)</u>	
Cash flows from investing activities								
Interest received on investments			1,227	1,227				3,837
Net cash provided by investing activities			<u>1,227</u>	<u>1,227</u>				<u>3,837</u>
Net increase (decrease) in cash and cash equivalents	<u>906,164</u>	<u>(100)</u>			<u>224,466</u>		<u>1,130,530</u>	<u>(2,194,548)</u>
Cash and cash equivalents, May 1, 2013	<u>127,606</u>	<u>900</u>	<u>10,500</u>	<u>2,500</u>	<u>1,245,003</u>	<u>25,028</u>	<u>1,411,537</u>	<u>3,557,623</u>
Cash and cash equivalents, April 30, 2014	<u>\$ 1,033,770</u>	<u>\$ 800</u>	<u>\$ 10,500</u>	<u>\$ 2,500</u>	<u>\$ 1,469,469</u>	<u>\$ 25,028</u>	<u>\$ 2,542,067</u>	<u>\$ 1,363,075</u>
Reconciliation of operating income to net cash provided by (used for) operating activities								
Operating income (loss)	\$ (1,738,420)	\$ (4,884,216)	\$ (1,659,657)	\$ (1,261,070)	\$ 151,425	\$ (2,412,668)	\$ (11,804,606)	\$ (3,665,662)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities								
Depreciation and amortization	3,045,698	844,549	480,702	99,159	1,879,727	4,356,298	10,706,133	93,479
Change in assets and liabilities								
Accounts receivable	111,706	283,412	3,433	1,280	65,569	(8,983)	456,417	
Due from other funds	(2)	24,895	250		1,525	(4,433)	22,235	29,980
Inventories	(14,346)	48,104			82,321		116,079	2,428
Prepaid expenses	9,304	(146,480)	3,708	458			(133,010)	
Accounts payable	(10,011)	(45,547)	(12,264)	(14,676)	238,267	(47,935)	107,834	352,387
Due to other funds	2,470				(4,990)	(1,840,474)	(1,842,994)	(665)
Deferred revenue		15,826	(41,168)	1,603			(23,739)	
Customer deposits			11,500		43,612		55,112	
Compensated absences	(5,507)	7,980	28,265	11,702	24,151	(5,360)	61,231	
Net cash provided by (used for) operating activities	<u>\$ 1,400,892</u>	<u>\$ (3,851,477)</u>	<u>\$ (1,185,231)</u>	<u>\$ (1,161,544)</u>	<u>\$ 2,481,607</u>	<u>\$ 36,445</u>	<u>\$ (2,279,308)</u>	<u>\$ (3,188,053)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Statement of Net Position
Fiduciary Funds
April 30, 2014

	Bus Drivers' Pension and Relief Fund	Police Pension and Relief Fund	Agency Funds	Total	Component Units Agency Funds	
					City Court of Monroe	Monroe City Marshal
ASSETS						
Current assets						
Cash and cash equivalents	\$ 22,999	\$ 112,181	\$ 1,544,152	\$ 1,679,332	\$ 1,708,321	\$ 22,653
Accounts receivable			5,564	5,564		515
Total assets	22,999	112,181	1,549,716	1,684,896	1,708,321	23,168
LIABILITIES						
Current liabilities						
Accounts payable			26,592	26,592		
Due to other funds					25,294	
Due to others			1,523,124	1,523,124	1,683,027	23,168
Total liabilities			1,549,716	1,549,716	1,708,321	23,168
Net Position						
Restricted for retirement benefits	22,999	112,181		135,180		
Total net position	\$ 22,999	\$ 112,181		\$ 135,180		

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended April 30, 2014

	Bus Drivers' Pension and Relief Fund	Police Pension and Relief Fund
ADDITIONS		
Investment income		
Interest	\$ 11	\$ 476
Total additions	<u>11</u>	<u>476</u>
DEDUCTIONS		
Benefits paid	<u>4,600</u>	<u>1,818</u>
Total deductions	<u>4,600</u>	<u>1,818</u>
Changes in net position	(4,589)	(1,342)
Net position, beginning	<u>27,588</u>	<u>113,523</u>
Net position, end	<u>\$ 22,999</u>	<u>\$ 112,181</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Combining Statement of Net Position
All Discreetly Presented Component Units
April 30, 2014

	<u>City Court of Monroe</u>	<u>Monroe City Marshal</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,485,713	\$ 71,281	\$ 1,556,994
Investment		19,620	19,620
Receivables	32,150	21,196	53,346
Prepaid expenses	11,095	1,075	12,170
Total current assets	<u>1,528,958</u>	<u>113,172</u>	<u>1,642,130</u>
Capital assets, net of accumulated depreciation	<u>49,328</u>	<u>35,830</u>	<u>85,158</u>
Total assets	<u>1,578,286</u>	<u>149,002</u>	<u>1,727,288</u>
LIABILITIES			
Current liabilities			
Accounts payable	71,037	197,991	269,028
Accrued expenses		10,461	10,461
Noncurrent liabilities			
Obligation under capital lease			
Due within one year		3,956	3,956
Due in more than one year		5,460	5,460
Total liabilities	<u>71,037</u>	<u>217,868</u>	<u>288,905</u>
Net Position			
Net investment in capital assets	49,328	26,416	75,744
Unrestricted	<u>1,457,921</u>	<u>(95,282)</u>	<u>1,362,639</u>
	<u>\$ 1,507,249</u>	<u>\$ (68,866)</u>	<u>\$ 1,438,383</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE
Monroe, Louisiana
Combining Statement of Activities
All Discretely Presented Component Units
For the Year Ended April 30, 2014

	City Court of Monroe	Monroe City Marshal	Total
EXPENDITURES			
Judiciary			
Personal services	\$ (1,428,590)	\$ (1,058,766)	\$ (2,487,356)
Operating services	(321,569)	(128,771)	(450,340)
Materials and supplies	(14,708)	(14,908)	(29,616)
Travel and other	(56,149)	(18,348)	(74,497)
Depreciation	(25,449)	(23,531)	(48,980)
Other		(10,534)	(10,534)
Interest		(700)	(700)
Total expenditures	<u>(1,846,465)</u>	<u>(1,255,558)</u>	<u>(3,102,023)</u>
PROGRAM REVENUES			
Fees, charges, and court costs			
Marshal's fees		233,988	233,988
Court costs	136,609		136,609
Civil fees	38,340		38,340
Probation fees	73,110		73,110
Reinstatement fees	1,425		1,425
Bond forfeitures	3,989		3,989
Other charges for services	29,715	29,003	58,718
Total program revenues	<u>283,188</u>	<u>262,991</u>	<u>546,179</u>
Net program expense	(1,563,277)	(992,567)	(2,555,844)
GENERAL REVENUES			
Intergovernmental - City of Monroe	1,404,380	911,950	2,316,330
Investment earnings	2,747	21	2,768
Bond forfeitures		4,353	4,353
Total general revenues	<u>1,407,127</u>	<u>916,324</u>	<u>2,323,451</u>
Changes in net assets	(156,150)	(76,243)	(232,393)
NET ASSETS			
Beginning of year	<u>1,663,399</u>	<u>7,377</u>	<u>1,670,776</u>
End of year	<u>\$ 1,507,249</u>	<u>\$ (68,866)</u>	<u>\$ 1,438,383</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE

Monroe, Louisiana

**Notes To The Financial Statements
As of And For The Year Ended April 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Monroe, Louisiana (the City) operates under a Home Rule Charter approved by the voters in 1979. This charter provides for an executive branch of government headed by a mayor and a legislative branch of government consisting of five council members. The City's combined balance sheet includes the accounts of all City operations. The City's major operations include police and fire protection, garbage and trash collection, economic development, parks and recreation, other cultural activities, and general administration services. In addition, the City owns and operates six major enterprise activities: airport, water distribution, sanitary sewerage systems, mass transit system, civic center, and gardens and zoo.

The Governmental Accounting Standards Board (GASB) promulgates generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local government entities. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government. The financial reporting practices of the City comply with the financial reporting standards established by the GASB.

A. FINANCIAL REPORTING ENTITY

As the governing authority of the City, for reporting purposes, the City of Monroe is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the City), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement 14, *The Financial Reporting Entity*, sets forth criteria for determining which, if any, component units should be considered part of the City of Monroe for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which include:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the City to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority, but are fiscally dependent on the City.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2014

3. Organizations for which the reporting entity financial statements would be misleading if data of the potential component unit were not included because of the nature or significance of the relationship.

Based on the previous criteria, the City has determined that the following component units should be considered as part of the City reporting entity.

Discrete Component Units

City Court of Monroe - The City Court of Monroe is a legally separate entity. The City appoints none of the governing board (Judges) of the court. Judges of the court are independently elected officials. Although the City Council can, to a limited degree, impose its will on the court through City Council ordinances, the City provides office space, court facilities and some furnishings, and compensation to the court. Although the court functions entirely within the City of Monroe, it provides no direct services to the City or City Council. However, based on criteria 2 above, it has been determined that the court is a component unit of the City and should be included in the City's financial statements through discrete presentation.

Monroe City Marshal - The Monroe City Marshal's office is a legally separate entity. The City does not appoint the governing board (Marshal) of the marshal's office. The City Marshal is an independently elected official. Although the City cannot impose its will on the City Marshal, it does provide a substantial portion of his compensation, facilities, and furnishings. Although the City Marshal functions entirely within the City of Monroe, he provides no direct service to the City, but is rather an officer of the City Court. However, based on criteria 2 above, it has been determined that the City Marshal is a component unit of the City and should be included in the City's financial statements through discrete presentation.

Blended Component Units

Economic Development - Two not-for-profit entities perform administrative functions for the City's incremental sales tax economic development districts. These entities are the Tower Drive Economic Development Corporation and the Garrett Road Economic Development Corporation. There also exist two other special districts within the City - The Downtown Economic Development District and The Southside Economic Development District. These two districts are charged with planning and delivery of public improvements, facilities, and services in their respective districts. For financial reporting purposes, all of these entities are considered an integral part of the City, not component units. This decision is due to the City keeping the books and records for these entities, the City as a whole reaping the benefits from the use of the proceeds of the incremental tax bonds issued by the not-for-profits, and that the districts and the separate not-for-profits are ministerial and structural in nature, as disbursement of funds is subject to the control of the City through the plan of government.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2014

As such, they are presented as separate Special Revenue, Debt Service, and Capital Project funds within those categories of the City's general-purpose financial statements.

Included in the evaluation of potential component units of the City of Monroe were the Monroe City School Board, the Ouachita Council of Governments, the Monroe Housing Authority, the City of Monroe Employees Credit Union, the Monroe/West Monroe Public Trust Financing Authority, and the Ouachita Parish Homeland Security and Emergency Preparedness Agency. None of these entities were determined to be component units of the City of Monroe reporting entity.

B. BASIS OF PRESENTATION

The City's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial statements (individual major fund and combined non-major fund). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements include the statement of net assets and the statement of activities for all non-fiduciary activities of the primary government and the total for its component units. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are payments between the enterprise funds to other various functions of government for charges such as sewer fees and contributions between the primary government and its component units which are reported as external transactions. The government-wide presentation focuses primarily on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental Activities represent programs which normally are supported by taxes and intergovernmental revenues.

Business-Type Activities are financed in whole or in part by fees charged to external parties for goods and services.

CITY OF MONROE

Monroe, Louisiana

**Notes To The Financial Statements
As of And For The Year Ended April 30, 2014**

The primary government is reported separately from the legally separate component units as detailed in section (A) of this note.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and special fund programs. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. This includes internally dedicated resources such as a restricted property tax.

FUND FINANCIAL STATEMENTS:

The City uses funds, both major and non-major, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

Emphasis of fund reporting is on the major fund level in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column in the basic financial statements.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the provision of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The City's current operations require the use of the governmental, proprietary, and fiduciary fund categories. The fund types used by the City are described as follows:

Governmental Activities Presented as Governmental Funds in the Fund Financial Statements:

General Fund - This fund is the general operating fund of the City. It is used to account for all financial resources of the City except for those required to be accounted for in another fund and is always a major fund.

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2014

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes. The Capital Infrastructure fund is the only major Special Revenue Fund.

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. All general obligation bonds are direct obligations of the City. Principal and interest are payable from ad valorem taxes levied on all taxable property and improvements within the City. Incremental Sales Tax Bonds are secured by a pledge of incremental state (40%) and City (60%) sales and use taxes within the boundaries of the respective districts and do not involve the pledge of the full faith and credit of the City. All long-term debt is reported in the Statement of Net Assets. There are no major Debt Service Funds.

Capital Project Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, improvements and other major projects (other than those financed by Proprietary Funds). The I-20 Corridor and Airport Terminal Capital Projects Funds are considered major funds.

Proprietary Funds:

Enterprise Funds - These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Net cash losses of the Enterprise Funds are subsidized by the General Fund. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements. All Enterprise funds are considered major funds.

Internal Service Funds - Internal service funds are used to account for the financing of goods and/or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City operates a central shop and warehouse which provides inventory storage, repair and maintenance, and fueling services solely to other City user departments (with the exception of the Monroe Transit System) at rates designed to cover the costs of operations, including depreciation and debt service. Since the principal users of the internal service fund are the City's governmental activities, financial statements of the internal service fund are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity.

CITY OF MONROE

Monroe, Louisiana

**Notes To The Financial Statements
As of And For The Year Ended April 30, 2014**

During fiscal year 2006, the City began self-insuring its employees' group insurance which is handled through a third party administrator.

Fiduciary Funds:

Trust and Agency Funds - These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Agency Funds and Pension Trust Funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Pension trust funds account for pension funds established for classified employees of various departments and is accounted for in essentially the same manner as proprietary funds since capital maintenance is critical.

C. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

FUND FINANCIAL STATEMENTS:

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types and the fiduciary fund type agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Ad valorem taxes, grants, and fees, charges, and commissions for services have been treated as susceptible to accrual.

The City uses the following practices in recognizing and reporting revenues and expenditures in the governmental fund types:

CITY OF MONROE

Monroe, Louisiana

**Notes To The Financial Statements
As of And For The Year Ended April 30, 2014**

Revenues:

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in October or November and are billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year; however, by precedent, this is normally extended until February 1. Revenues from ad valorem taxes are budgeted in the year billed to the extent collections are expected. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Ouachita Parish.

Sales taxes are considered "measurable" when in the hands of the City Sales Tax Collector and are recognized as revenue at that time.

Federal and state grants are normally "expenditure driven", which means that the City does not earn, or is not entitled to, the grant funds until a liability for the expenditure has been incurred. Amounts received in excess of actual expenditures at year end are reflected as deferred revenue on the fund's balance sheet.

Interest earnings on time deposits are recognized as revenue when the time deposits have matured and the interest is available. Substantially all other revenues are recognized when actually received by the City.

Expenditures:

Expenditures in the governmental funds are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death. Compensated absences are reported in the Statement of Net Assets as a long-term liability and expensed in the Statement of Activities.

Principal and interest on long-term debt is recognized when due.

Proprietary and Pension Trust Funds

All proprietary funds and pension trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

CITY OF MONROE
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Notes To The Financial Statements
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Fiduciary Funds

Fiduciary Funds include Trust and Agency Funds. Trust and Agency Fund assets and liabilities are accounted for on the modified accrual basis of accounting, except for the pension trust funds, which are discussed above.

Other Financing Sources (Uses)

Proceeds from issuing long-term debt, capital leases and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

D. BUDGET PRACTICES

The City follows these procedures in establishing the budgetary data reflected in these financial statements:

1. At least ninety days prior to the beginning of the fiscal year, the Mayor submits to the City Council an operating and capital budget for the succeeding year.
2. A public hearing is scheduled by the City Council after allowing for at least ten days notice to the public at the time the budget is initially submitted to the City Council. The budget for the succeeding year must be finally adopted by the Council no later than the second-to-last regular meeting of the fiscal year.
3. The Mayor may authorize transfers of budgetary amounts within departments. However, any revisions requiring alteration of levels of expenditures or transfers between departments must be approved by the City Council.
4. Operating appropriations, to the extent not expended, lapse at year end. Capital appropriations continue in force until the project is completed or deemed abandoned after three years of no activity.
5. All legally adopted budgets of the City are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. For the year ended April 30, 2014, the City adopted a budget for the General Fund and all Special Revenue Funds.

CITY OF MONROE
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Notes To The Financial Statements
As of And For The Year Ended April 30, 2014

E. ASSETS, LIABILITIES, AND FUND EQUITY

CASH, CASH EQUIVALENTS AND INVESTMENTS:

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State law and the City's investment policy allow the City to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool and mutual funds consisting solely of government backed securities.

Deposits with original maturity dates exceeding 90 days are classified as investments. Investments are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

ACCOUNTS RECEIVABLE:

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Uncollectible amounts for customers' utility fees receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

INTERFUND RECEIVABLES AND PAYABLES:

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as "due from/to other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

INVENTORIES AND PREPAID ITEMS:

Inventories are valued at first in, first out cost less write-downs for obsolete items. Inventories in the General and Proprietary Funds consist of expendable supplies and repair and maintenance items held for consumption.

CAPITAL ASSETS:

Capital assets, which include land, buildings, other improvements, machinery and equipment, vehicles, furniture and fixtures, and infrastructure assets (streets, roads, bridges, drainage canals, and water and sewer systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The capitalization threshold for all movable capital assets is \$3,000 per unit.

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**Notes To The Financial Statements
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All purchased capital assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Donated fixed assets are valued at their fair market value on the date received. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized at completion of construction projects.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on enterprise fund balance sheets. Depreciation on all capital assets, excluding land and improvements, has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Type of Capital Assets</u>	<u>Number of Years</u>
Buildings	10-50
Improvements	7-50
Furniture and Fixtures	1-10
Vehicles	5
Equipment	2-20
Infrastructure-Water System	30-50
Infrastructure-Sewer System	10-30
Infrastructure-Drainage Systems	25
Infrastructure-Streets and Roads	20-50

LONG-TERM DEBT:

In the government-wide statement of net assets and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums, discounts, issuance costs, and gains (losses) on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable costs are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial period. The face amount of the debt issue is reported as "other financing sources." Premiums received on debt issuances are reported as "other financing sources" and discounts on debt are reported as "other financing uses."

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Notes To The Financial Statements
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ACCUMULATED VACATION, SICK PAY, AND OTHER EMPLOYEE BENEFITS:

In the government-wide financial statements and the proprietary fund type financial statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March 2000), no compensated absences liability is recorded at April 30, 2014, in the governmental fund-type financial statements.

Full time employees may earn up to 33 working days of vacation time per year, depending upon length of service. At the end of each year, employees may carry forward up to 120 days of vacation time. Subject to the above conditions, unused vacation is paid to an employee upon retirement, separation, or death at hourly rates being earned by that employee upon separation.

The City also maintains a disability compensation plan which allows employees to draw an additional 30 days paid disability leave, once all the available sick and vacation accruals have been utilized. Individuals with long-term disability status are then eligible for an additional 180 days of disability leave at 60 percent of their regular pay. Such amounts are not accrued in governmental funds, nor are they reflected in the General Long-Term Obligations Account Group due to the inability to estimate such liabilities, and the fact that any unused disability leave does not carry forward to the subsequent year.

Firemen and policemen may receive up to one year's sick leave per illness as prescribed under Louisiana law. For all other City employees, sick leave is accumulated at varying rates ranging up to 12 days per year. A maximum of 120 days of unused sick leave may be carried forward. Subject to the above limitations, employees shall be compensated in cash for any accumulated unused sick leave when they are permanently separated from employment as a result of voluntary resignation, discharge, retirement or death. In the event of death, payment is made to the estate of the employee. The amount of payment for all unused sick leave is calculated at the employee's rate of pay in effect on the payday immediately preceding the employee's separation.

NET ASSETS/FUND BALANCE:

In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The components of net assets are as follows:

1. Investment in Capital assets - net – Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.

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2. Restricted Net Assets – Consists of net assets less related liabilities reported in the government-wide statement of net assets that are subject to constraints on their use by creditors, grantors, contributors or legislature.
3. Unrestricted Net Assets - Represent net assets not appropriable for expenditures or legally segregated for a specific future use.

In accordance with Governmental Accounting Standards Board Statement No. 54, the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the state or federal laws, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City Council. The Council is the highest level of decision-making authority for the City. These amounts cannot be used for any other purposes unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned – Amounts that are intended to be used for specific purposes as established by the City Council or officials or body's designated for that purpose but do not meet the criteria to be classified as restricted or committed.

Unassigned – All amounts not included in other spendable classifications. Unassigned fund balances are the residual classification for the City's General fund.

F. ACCOUNTING ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

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G. DEDICATED REVENUES:

Sales taxes:

A one-half per cent city sales tax is dedicated to the General Fund for payment of salaries of city employees and capital improvements. The sales tax, which began on March 1, 1968, is for an indefinite period.

A one per cent city sales tax is dedicated to the General Fund for any lawful purpose of the City, including payment of operating expenses. The sales tax, which began on January 1, 1975, is for an indefinite period.

A one per cent city sales tax is dedicated to the General Fund for constructing, acquiring, extending, improving, maintaining, and operating capital improvements and facilities of the City and paying general operating expenses of the City. The sales tax, which began on February 1, 1983, is for an indefinite period.

A ten year one per cent sales tax passed by the voters on November 8, 1994 which was for the street program was extended by twenty-five years and its uses expanded by the voters on May 5, 2001. The proceeds can be utilized for all infrastructures including but not limited to streets, water, sewer and drainage and other related capital expenditures. The tax will expire in 2029.

A 0.49 per cent city sales tax is dedicated to the General Fund for payment of salary increases of city firemen and policemen. The sales tax, which began March 1, 2005, is for an indefinite period.

Property taxes:

Recreation (1.73 mills), public safety (.98 mills) and drainage (1.21 mills) millages were renewed by the voters in 2013, levied in 2014 and will expire with the 2023 tax roll.

For both the Civic Center and the Louisiana Purchase Gardens and Zoo, 2.50 mills was renewed by the voters in 2008, levied in fiscal 2009, and will expire with the 2018 tax roll.

For both the police and fire departments, 1.50 mills was renewed by the voters in 2008, levied in fiscal 2009, and will expire with the 2018 tax roll.

For capital improvements, 3.25 mills was renewed by the voters in 2008, levied in fiscal 2009, and will expire with the 2018 tax roll.

For airport improvements, 1.00 mills was passed by the voters in 2009, levied in fiscal 2009, and will expire with the 2018 tax roll.

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Notes To The Financial Statements
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2. FUND DEFICITS

The following funds have deficit fund balances at April 30, 2014. These deficits in the Capital Project funds will be cleared by future grants.

Kansas Lane Connector	\$177,521
Security Fence Upgrade-MLU	24,146
Security Fence Relocation-MLU	15,859
DRU Gustav/Ike Storm Water	39,550
Airport Drainage-MLU	5,605
ARFF Station-MLU	119,376
South Ramp Rehab	67,826
Perimeter Rd Phase 1 & 2-MLU	10,525

3. CASH AND CASH EQUIVALENTS

Custodial credit risk – deposits. The custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its' own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the City had no custodial credit risk related to its deposits at April 30, 2014.

At April 30, 2014, the City has cash and cash equivalents, totaling \$83,219,395, (including \$1,679,332 in fiduciary funds) as follows:

Petty cash	\$ 18,960
Demand deposits	62,038,107
Money market funds	21,162,328
Total	<u>\$ 83,219,395</u>

These deposits are stated at cost, which approximates market. These securities are held in the City's name in a holding or custodial bank that is mutually acceptable to both the City and the pledging fiscal agent bank. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at April 30, 2014, are secured, as follows:

Bank balances	\$ <u>71,449,186</u>
Federal deposit insurance	\$ 750,000
Pledged securities	74,244,015
Total	<u>\$ 74,994,015</u>

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The money market accounts are utilized for the daily investment of idle cash of the City. The accounts are managed by the City's fiscal agent and consists of securities issued or guaranteed by the U.S. government. Investments are in accordance with LRS 33:2955(A)(1)(e) and are not required to be covered by the pledge of securities owned by the fiscal agent bank.

4. INVESTMENTS

Custodial credit risk – investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments in United States government securities are held by the City's agent in the City's name. Therefore, the City had no custodial credit risk related to its investments at April 30, 2014.

Under state law, the City may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The City did not have investments at April 30, 2014.

Interest-rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair market values by limiting investment portfolio to "money market investments," which are defined as creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

Credit Risk. The City's investment policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies.

Concentration of Credit Risk. The City's investment policy limits the City's investment instruments to: 1) certificates of deposit; 2) certain direct obligations of the U.S. Government; 3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; and 4) the Louisiana Asset Management Pool. The City participates in the Louisiana Asset Management Pool (LAMP). The LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment.

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Notes To The Financial Statements
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5. RECEIVABLES

Accounts receivable of \$9,719,706 at April 30, 2014, are comprised of the following:

Fund Type	Taxes - Ad Valorem	Taxes - Sales	Grants	Accounts	Other	Total
MAJOR FUNDS						
General	\$ 100,618	\$ 3,046,249	\$ 125,010	\$ 624,163	\$ 46,993	\$ 3,943,033
Capital Infrastructure		1,256,183				1,256,183
Airport			121,226	127,213		248,439
Transit			15,040	2,066		17,106
Civic Center	11,893			3,500		15,393
Zoo	11,893			1,346		13,239
Water				622,113	339	622,452
Sewer			22,239	553,656		575,895
NONMAJOR FUNDS						
Special Revenues		615,530	275,794	102,661		993,985
Debt Service	4,757	996,048				1,000,805
Capital Projects			1,027,612			1,027,612
Agency				5,564		5,564
TOTAL	\$ 129,161	\$ 5,914,010	\$ 1,586,921	\$ 2,042,282	\$ 47,332	\$ 9,719,706

The allowance for doubtful accounts was \$1,376,428 as of April 30, 2014.

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Notes To The Financial Statements
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6. CHANGES IN CAPITAL ASSETS

The following schedule presents changes in capital assets for the year ended April 30, 2014.

	Balance April 30, 2013	Additions	Retirements	Balance April 30, 2014
Governmental Funds:				
Land	\$ 19,959,058	\$ 154,842		\$ 20,113,900
Construction in progress	771,287	1,194,749	(1,014,020)	952,016
CIP-Infrastructure	7,502,649	6,387,307		13,889,956
Total capital assets not being depreciated	<u>28,232,994</u>	<u>7,736,898</u>	<u>(1,014,020)</u>	<u>34,955,872</u>
Depreciable assets:				
Buildings and improvements	35,805,332	654,195	(23,218)	36,436,309
Equipment and Furniture	29,475,136	4,117,875	(1,795,545)	31,797,466
Infrastructure	165,016,492			165,016,492
School buildings	1,229,953			1,229,953
Total capital assets being depreciated	231,526,913	4,772,070	(1,818,763)	234,480,220
Less: accumulated depreciation	<u>(105,650,742)</u>	<u>(10,667,212)</u>	<u>1,796,850</u>	<u>(114,521,104)</u>
Total capital assets being depreciated, net	<u>125,876,171</u>	<u>(5,895,142)</u>	<u>(21,913)</u>	<u>119,959,116</u>
Total governmental funds capital assets, net	<u>154,109,165</u>	<u>1,841,756</u>	<u>(1,035,933)</u>	<u>154,914,988</u>
Internal Service Fund:				
Land	45,000			45,000
Depreciable assets:				
Buildings and improvements	3,406,242			3,406,242
Furniture and vehicles	266,043			266,043
Total capital assets being depreciated	3,672,285			3,672,285
Less: accumulated depreciation	<u>(1,437,943)</u>	<u>(93,480)</u>		<u>(1,531,423)</u>
Total capital assets being depreciated, net	<u>2,234,342</u>	<u>(93,480)</u>		<u>2,140,862</u>
Total Internal Service Fund capital assets, net	<u>2,279,342</u>	<u>(93,480)</u>		<u>2,185,862</u>
Total governmental activities capital assets, net	<u>\$ 156,388,507</u>	<u>\$ 1,748,276</u>	<u>\$ (1,035,933)</u>	<u>\$ 157,100,850</u>

CITY OF MONROE
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Notes To The Financial Statements
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	Balance April 30, 2013	Additions	Retirements	Balance April 30, 2014
Business-type activities:				
Nondepreciable assets:				
Land	\$ 5,542,940	\$	\$	\$ 5,542,940
Construction in progress	6,626,221	2,070,209	(3,639,579)	5,056,851
Zoo animals	-	-	-	-
Total capital assets not being depreciated	12,169,161	2,070,209	(3,639,579)	10,599,791
Depreciable assets:				
Buildings/Improvements	74,273,629	811,672	(2,380,472)	72,704,829
Infrastructure	188,324,887	2,538,956	-	190,863,843
Equipment	19,094,408	1,624,398	(682,049)	20,036,757
Total capital assets being depreciated	281,692,924	4,975,026	(3,062,521)	283,605,429
Less: accumulated depreciation	(116,578,201)	(10,706,134)	2,979,454	(124,304,881)
Total capital assets being depreciated, net	165,114,723	(5,731,108)	(83,067)	159,300,548
Total business-type activities capital assets, net	\$ 177,283,884	\$ (3,660,899)	\$ (3,722,646)	\$ 169,900,339

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$ 864,274
Public Safety	871,684
Public Works	8,224,825
Planning and Urban Development	13,831
Culture and Recreation	692,598
Internal Service Fund	93,480
Total depreciation expense - governmental activities	<u>\$ 10,760,692</u>

Business-Type Activities:

Airport	\$ 3,045,698
Transit	844,549
Civic Center	480,702
Zoo	99,159
Water Fund	1,879,727
Sewer Fund	4,356,299
Total depreciation expense - business-type activities	<u>\$ 10,706,134</u>

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The Central Shop and Warehouse land and building is carried on the City's balance sheet within the Internal Service Fund. At April 30, 2014, only a portion of the cost of the assets are depreciated as only the shop facility is currently accounted for in the Internal Service Fund.

In keeping with customary practice, any expense associated with the acquisition of animals at the Louisiana Purchase Gardens and Zoo are expensed in the period the expense occurs.

7. ELECTRICAL SYSTEM OPERATING AGREEMENT

On July 9, 1977, the voters of the City of Monroe authorized a 50 year operating agreement between the City of Monroe and Entergy (formerly Louisiana Power & Light) for the operation by Entergy of the City's electric system. The agreement provided that Entergy would pay to the City a percentage of total revenue collected from the sale of electric service to residential and commercial customers within the City, such payments not to be less than \$700,000 annually. The aforementioned base increased by one per cent of sales of electric services to residential and commercial customers in excess of \$10,000,000 in a calendar year. Revenues under this agreement totaled \$2,548,264 for the year ended April 30, 2014.

8. PENSION AND RETIREMENT PLANS

City of Monroe Sponsored Pension Plans:

Effective September 1, 1983, the members of the Bus Drivers' Pension and Relief Fund agreed to merge with the Municipal Employees' Retirement System of Louisiana (MERS). Since the merger, the Bus Department administrative employees contribute 9.25% of their salary and the City contributes 7.25%. The City also reimburses 4% of the bus operators' contributions. The City made no contributions to the Bus Drivers' Pension and Relief Fund for the year ended April 30, 2014.

The Monroe Policemen's Pension and Relief Fund covers those employees who were members of the fund at September 1, 1983, and who retire prior to the age of 50. Upon reaching their 50th birthday, they will no longer receive benefits under the Monroe Policemen's Pension and Relief Fund, but will begin receiving benefits under the Municipal Police Employees' Retirement System (MPERS). The City made no contributions to the Monroe Policemen's Pension and Relief Fund for the year ended April 30, 2014.

Data concerning the actuarial status of the Policemen's and Bus Drivers' Pension and Relief Funds is not available. The City of Monroe has never required the services of an actuary for these plans nor felt the need to determine the actuarial liability of the plans because state law requires that the plans be funded at minimum reserve requirements rather than an actuarially computed reserve based on future benefits payable. The two funds had net assets at April 30, 2014, as follows: Policemen's, \$112,181 and Bus Drivers', \$22,999.

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State Sponsored Plans:

Municipal Employees' Retirement System of Louisiana (MERS)

Substantially all city employees, except firemen and policemen, are members of the MERS, a multiple-employer, cost-sharing, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The MERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All City members participate in Plan A.

All permanent employees working at least 35 hours per week and elected city officials are eligible to participate in the system. Under the plan provisions, a member who retires at or after age 60 with at least 10 years of creditable service, at or after age 55 with 25 years of creditable service, or at any age with at least 30 years of creditable service is entitled to a retirement benefit, payable monthly for life, equal to 3% of the member's final compensation multiplied by his years of creditable service.

However, for those members of the supplemental plan only prior to October 1, 1978, the benefit is equal to 1% of final compensation plus \$2 per month for each year of supplemental-plan-only service earned prior to October 1, 1978, plus 3% of final compensation for each year of service credited after October 1, 1979.

Funding Policy. Contributions to the system include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of members on which contributions were made for the previous fiscal year. State statute requires covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the MERS for the years ended April 30, 2014, 2013, and 2012 were \$3,370,115; \$3,036,965; and \$2,935,988 respectively, equal to the statutorily required contributions for each year.

The MERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Municipal Employees' Retirement System, 6750 Van Gogh, Baton Rouge, LA 70806 or by calling (225) 925-4810.

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Notes To The Financial Statements
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Firefighters' Retirement System (SFRS)

Effective May 7, 1981, the members of the Firemen's Pension and Relief Fund agreed to merge with the SFRS, a multiple-employer, cost-sharing PERS. Effective June 1, 1986, the retirees and dependents receiving benefits under the City plan as of May 7, 1981, were transferred to the SFRS. As further discussed below, the liability to the SFRS was advance refunded by the City during fiscal 1998.

The plan covers substantially all members of the City's Fire Department. All new employees of the department must join this plan with the exception of employees performing duties unrelated to fire fighting. Employees with 20 years or more of service who have attained age 50 or employees with 12 years of service who have attained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3-1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to employer contributions. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy. State statute requires covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the SFRS for the years ended April 30, 2014, 2013, and 2012 were \$2,248,607; \$1,997,836; and \$1,987,888; respectively, equal to the required contributions for each year.

The SFRS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Firefighters' Retirement System, 2051 Silverside Drive, Suite 10, Baton Rouge, LA 70808-4136 or by calling (225) 925-4060.

Municipal Police Employees' Retirement System (MPERS)

Effective September 1, 1983, the members of the City's Policemen's Pension and Relief Fund agreed to merge with the MPERS, a multiple-employer, cost-sharing PERS. The liability to the MPERS associated with the merger was advance refunded by the City during fiscal 1998 as further discussed below.

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All full-time police officers engaged in law enforcement and earning at least \$375 per month excluding state supplemental pay, the elected chief of police whose salary is at least \$100 per month, and secretaries to the chief of police are eligible to participate in the system. Members who retire at or after age 55 with 12 years of creditable service, at or after age 50 with 20 years of creditable service, or at any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3% of the member's average final compensation multiplied by his years of creditable service, not to exceed 100 per cent of his average final compensation. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy. State statutes require covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the MPERS for the years ended April 30, 2014, 2013, and 2012 were \$2,670,768; \$2,677,606; and \$2,491,732, respectively, equal to the statutorily required contributions for each year.

The MPERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Room 305, Baton Rouge, LA 70808 or by calling (225) 929-7411.

9. HEALTH CARE BENEFITS

During the year ended April 30, 2014, the City paid \$6,778,550 in expenses in connection with providing benefits to a total of 1,063 participants. The cost is broken down as follows:

Active Employees	\$ 4,822,517
Retired Employees	1,933,403
COBRA	<u>22,630</u>
Total	<u>\$ 6,778,550</u>

As permitted by Louisiana Revised Statutes, the City provides certain continuing health care and life insurance benefits for certain retired employees through self insurance. Retired City employees are eligible for these benefits if they reached normal retirement age, as defined under the applicable retirement system while working for the City. The City recognizes the cost of providing these benefits (the City's portion of the premiums) as an expenditure when the monthly premiums are due. Approximately 257 retirees receive benefits under this plan. These retirees reimbursed the City for \$773,361 for fiscal year 2014 for their portion of health care benefits.

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10. OTHER POST-EMPLOYMENT BENEFITS

Plan Description – The City of Monroe’s medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

The employees are covered by several retirement systems whose retirement eligibility (D.R.O.P. entry) provisions are similar. We have used the following as representative of that eligibility: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 10 years of service. Complete plan provisions are included in the official plan documents.

Contribution Rates – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy – Until 2008, the City of Monroe recognized the cost of providing post-employment medical benefits (the City of Monroe’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2014 and 2013, the City of Monroe’s portion of health care funding cost for retired employees totaled \$1,560,852 and \$1,445,233, respectively.

Effective May 1, 2008, the City of Monroe implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The City of Monroe’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2014</u>	<u>2013</u>
Normal cost	\$ 1,039,580	\$ 999,596
30-year UAL amortization amount	<u>2,623,798</u>	<u>2,522,883</u>
Annual required contribution (ARC)	<u>\$ 3,663,378</u>	<u>\$ 3,522,479</u>

Net Post-employment Benefit Obligation (Asset) – The table below shows the City of Monroe’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending April 30, 2013 and 2014 respectively:

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	<u>2014</u>	<u>2013</u>
Beginning Net OPEB Obligation	\$ 10,752,007	\$ 8,832,240
Annual required contribution	3,663,378	3,522,479
Interest on Net OPEB Obligation	430,080	353,290
ARC Adjustment	<u>(621,790)</u>	<u>(510,769)</u>
OPEB Cost	3,471,669	3,364,999
Contribution to Irrevocable Trust		
Current year retiree premium	<u>(1,560,852)</u>	<u>(1,445,233)</u>
Change in Net OPEB Obligation	<u>1,910,817</u>	<u>1,919,766</u>
Ending Net OPEB Obligation	\$ <u>12,662,824</u>	\$ <u>10,752,007</u>

The following table shows the City of Monroe's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
April 30, 2014	\$ 3,471,669	44.96%	\$ 12,662,824
April 30, 2013	\$ 3,364,999	42.95%	\$ 10,752,007

Funded Status and Funding Progress – In 2014 and 2013, the City of Monroe made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the May 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year April 30, 2014 was \$47,185,560 which is defined as that portion, as determined by a particular actuarial cost method (the City of Monroe uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2014</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$ 47,185,560	\$ 45,370,731
Actuarial Value of Plan Assets (AVP)	<u> </u>	<u> </u>
Unfunded Act. Accrued Liability (UAAL)	\$ <u>47,185,560</u>	\$ <u>45,370,731</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 41,707,775	\$ 39,530,834
UAAL as a percentage of covered payroll	113.13%	114.77%

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Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City of Monroe and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City of Monroe and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City of Monroe and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 13%.

Post employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence eight years after the earliest retirement (D.R.O.P. entry) eligibility, as described above under "Plan Description". The eight years represents three years in the D.R.O.P. plus five additional years. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

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Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The City pays 68% of the retiree premiums. Those premiums are based on the blended active/retired rate before Medicare eligibility and an unblended rate after Medicare eligibility (age 65). Since GASB 45 mandates that "unblended" rates applicable to the coverage provided to retirees be used, we have estimated the "unblended" rates for retirees before Medicare eligibility. It has been assumed that the total retiree rate before Medicare eligibility is 130% of the blended active/retired rate, with the employer assumed to pay the difference between that unblended rate and the employee contribution of 32% of the blended rate.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

11. LEASES

In fiscal 2006, the City entered into a capital lease obligation for the purchase of an energy system that is being utilized in over 40 City-owned buildings. The original amount of the obligation was \$2,967,113 and bears interest at 4.75% to 5.59%. In 2011 the City leased golf equipment for use at Chennault Golf Course. The original amount of the obligation was \$279,594 and bears interest at 7.3%. In 2013, the City entered into lease agreements for golf carts to be used at Chennault Golf Course. The original amount of the obligation was \$301,438 and bears interest at 7.3%. Also, the City entered into a lease for police communication software and equipment with an original obligation amount of \$1,178,708 which bears interest at 3.49%.

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Fiscal Years Ended April 30:	Future Minimum Lease Payments
2015	\$ 462,686
2016	458,363
2017	510,498
2018	406,147
2019	411,073
2020-2021	<u>1,071,570</u>
	3,320,337
Less: Amounts representing Interest	<u>(521,436)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 2,798,901</u>

12. LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the City of Monroe for the year ended April 30, 2014:

	Long-Term Obligations	Proprietary Funds	Total
Long-term obligations, May 1, 2013	\$ 197,643,048	\$ 1,061,696	\$ 198,704,744
Additions	3,659,212	765,051	4,424,263
Retirements	<u>(11,760,782)</u>	<u>(703,819)</u>	<u>(12,464,601)</u>
Long-term obligations, April 30, 2014	<u>\$ 189,541,478</u>	<u>\$ 1,122,928</u>	<u>\$ 190,664,406</u>

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Long-term obligations outstanding at April 30, 2014, are comprised of the following:

	<u>Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding</u>
<i>General Long-Term Obligations</i>				
<u>Tax Increment Bonds</u>				
Tower Drive	2012	3/1/2025	2.71%	\$ 9,415,000
Deferred amount of refunding	2012			187,740
I-20 Development Series 2011	2011	3/1/2025	2.00% - 5.00%	8,490,000
I-20 Development Series 2012	2012	3/1/2025	2.71%	19,055,000
Deferred amount of refunding	2012			110,399
Total Tax Increment Bonds				<u>37,258,139</u>
<u>Sales Tax Bonds</u>				
Series 2006	2006	7/1/2028	3.45%	2,430,000
Series 2007A	2007	7/1/2026	4.002%	22,045,000
Series 2008.DEQ	2008	7/1/1930	0.95%	7,438,940
Series 2011	2011	7/1/2020	2.00% - 5.00%	8,395,000
Deferred amount of refunding	2011			(190,061)
Series 2011A	2011	7/1/2027	3.19%	14,410,000
Deferred amount of refunding	2011			(411,366)
Series 2012 Refunding	2012	7/1/2027	2.00% - 4.00%	16,435,000
Deferred amount of refunding	2012			(188,418)
Series 2012A Refunding	2012	6/1/2027	2.89%	30,125,000
Deferred amount of refunding	2012			(26,437)
Series 2013 DEQ	2013	7/1/2029	0.95%	75,133
Total Sales Tax Bonds				<u>100,537,791</u>
<u>Airport Revenue Bonds</u>				
Series 2009 Airport Bonds	2009	2/1/1939	3.00% - 5.5%	<u>17,360,000</u>

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	Issue	Maturity Date	Interest Rate	Balance Outstanding
<i>General Long-Term Obligations (cont'd)</i>				
<u>Other</u>				
Claims and Judgments	None	None	None	\$ 9,754,763
Capital Leases	2000	11/1/2022	3.49-5.59%	2,798,901
Notes payable	2013	3/15/2018	1.87%	3,229,366
Accrued Vacation and Sick Pay	None	None	None	5,939,694
Other post employment benefits	None	None	None	12,662,824
Total Other				34,385,548
Total general long-term obligations				\$ 189,541,478

Proprietary Funds

<u>Other</u>				
Accrued Vacation and Sick Pay	None	None	None	1,122,928
Total proprietary funds				\$ 1,122,928

Long-Term Obligation	Paying Fund
Tax increment bonds:	
Tower Drive	Tower Drive Debt Service Fund
I-20 Development	I-20 Debt Service Fund
Sales tax bonds:	
2006 Series	Sales Tax Bond Debt Service Fund
Series 2007A	Sales Tax Bond Debt Service Fund
Series 2008	Sales Tax Bond Debt Service Fund
2011 Refunding Series	Sales Tax Bond Debt Service Fund
2011A Refunding Series	Sales Tax Bond Debt Service Fund
2012 Refunding Series	Sales Tax Bond Debt Service Fund
2012A Refunding Series	Sales Tax Bond Debt Service Fund
Series 2013 DEQ	Sales Tax Bond Debt Service Fund

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<u>Long-Term Obligation</u>	<u>Paying Fund</u>
Airport revenue bonds:	
Series 2009 Airport Bonds	Airport Bond Debt Service Fund
Capital Lease Obligations:	
Equipment	General Fund
Notes Payable	
Equipment	General Fund

The amount recorded as claims and judgments payable in the General Long-Term Obligations Account Group is the City's liability for claims that are not expected to be paid with available resources at year-end. Expenditures for claims and judgments payable are recognized in the General Fund when paid. Only those expenditures which are included in the City's legally adopted budget will be paid.

The debt service requirements to amortize all bonds, certificates and other long-term obligations (other than accrued vacation and sick pay, claims and judgments, capital lease obligations, other post employment benefits, and deferred amount of refunding) outstanding at April 30, 2014, are as follows:

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Year Ended April 30,	Principal	Interest	Total
2015	\$ 10,385,045	\$ 5,538,212	\$ 15,923,257
2016	10,789,859	5,224,688	16,014,547
2017	11,039,680	4,897,367	15,937,047
2018	11,374,915	4,561,058	15,935,973
2019	10,905,000	4,184,132	15,089,132
2020-2024	58,090,000	14,940,465	73,030,465
2025-2029	36,678,940	5,152,411	41,831,351
2030-2034	4,700,000	2,176,624	6,876,624
2035-2039	4,940,000	748,554	5,688,554
Total	\$ 158,903,439	\$ 47,423,511	\$ 206,326,950

General obligation bonds are direct obligations and are secured by the full faith and credit of the City. Revenue bonds are secured by pledged income derived from the assets acquired or constructed with bond funds. Certificates of indebtedness are secured by a pledge of the general credit of the City. The Tax Increment bonds are secured solely from the incremental tax revenues from the respective economic development districts.

Series 2013 (DEQ Loan #6)

In September 2013, the City issued \$11,700,000 of Taxable Sales Tax Revenue Bonds, Series 2013, the proceeds of which are to be used for the purpose of financing a portion of the cost to construct and acquire additions, extensions and improvements to the wastewater portion of the City's combined water and sewer system, including but not necessarily limited to rehabilitation, improvement and expansion of the wastewater collection, treatment, and disposal facilities thereof, and to pay the costs of issuance of the financing. The bonds will be paid from the income and revenues of the City's combined water and sewer system, after provision has been made for payment there from of the reasonable and necessary costs of expenses of operating and maintaining the System as the same fall due. The bonds will bear interest at a rate of .95% and will mature on July 1, 2029.

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13. INTERFUND RECEIVABLES AND PAYABLES

Individual fund balances due from/to other funds at April 30, 2014, are as follows:

	Interfund Receivable				Total
	General	Nonmajor Governmental Funds	Airport	Water	
Interfund Payable					
General		\$ 79,651		\$ 228	\$ 79,879
Capital Infrastructure	\$ 12,531				12,531
Nonmajor Governmental Funds	157,322	1,604,765	\$ 2		1,762,089
Airport	12,762				12,762
Water Fund	69,667				69,667
Sewer Fund	1,051,401			219	1,051,620
Total	\$ 1,303,683	\$ 1,684,416	\$ 2	\$ 447	\$ 2,988,548

These balances result from interfund transactions for goods and services which result in reimbursable expenditures or cash transfers among funds made to cover negative cash balances.

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14. INTERFUND TRANSFERS

The following transfers were made between the various funds of the City during the year ended April 30, 2014:

	Transfers Out						Total
	General	Capital Infrastructure	I-20 Corridor	Nonmajor Governmental Funds	Airport	Water	
Transfers In							
General		\$ 768,283		\$ 99,519			\$ 867,802
Sales Tax Bond		10,153,117					10,153,117
Nonmajor Gov't Funds	\$ 1,823,066	500,000	\$ 35,416	758,117	\$ 615,936	\$ 1,915,053	5,647,588
Transit	1,808,769						1,808,769
Civic Center	195,047						195,047
Zoo	160,366						160,366
Internal Service Funds	550,983			438,685			989,668
Total	\$ 4,538,231	\$ 11,421,400	\$ 35,416	\$ 1,296,321	\$ 615,936	\$ 1,915,053	\$ 19,822,357

These transfers resulted from transactions for goods and services among funds, debt service transfers, amounts needed to cover deficits in various Enterprise Funds and for capital improvements.

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15. LITIGATION AND CONTINGENCIES

Various lawsuits are pending against the City of Monroe. Except as noted below, attorneys of the City are of the opinion that any judgment rendered in favor of the plaintiff will not materially affect the financial position of the City at April 30, 2014.

The City is a party to various suits involving use of excessive force by police officers, accidents involving City vehicles and/or property and workman's compensation and city employer/employee relations. The City is unable to make an estimate of the possible liability, if any, of these matters at the current time.

The City was party to a lawsuit involving a former employee of the City Court of Monroe. Subsequent to April 30, 2014, the litigation was settled through mediation.

16. DEFERRED COMPENSATION PLANS

The City of Monroe offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457, as amended. The plans, available to all employees, permit them to defer a portion of their salaries until future years. Participation in the plans is optional. The City does not make any contributions to the plans. The deferred compensation is not available to employees until termination, retirement or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death. In accordance with the amended provisions of Code Section 457, all amounts deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants and their beneficiaries. As required by the amended Code Section 457, the City established custodial accounts with a third party administrator who will hold the assets and income of the plans.

Since the assets of the plans are held in a custodial account with a third-party administrator, the assets and liabilities are not presented in the City's financial statements in accordance with GASB 32.

Assets with a fair market value of \$2,533,110 are held by Public Employees Benefit Services Corporation, a deferred compensation center, and assets with a fair market value of \$202,522 are held by ICMA under agreement with the City.

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17. ON-BEHALF PAYMENTS

Certain City employees in the City Marshal's office, the Monroe Police Department and the Monroe Fire Department receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No.24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$2,081,847 and the related expenditures are as follows:

Marshal/Deputy Marshal	\$ 99,680
Monroe Police Department	909,417
Monroe Fire Department	<u>1,072,750</u>
Total	<u>\$ 2,081,847</u>

18. RISK FINANCING ACTIVITIES

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. There were no major changes in insurance coverage for the year ended April 30, 2014. Certain risks of loss, such as surety bonding, transit liability and indemnity, and activities relating to the operations of Chennault Park, Selman Field Golf Course, the Monroe Civic Center, Louisiana Purchase Gardens and Zoo and Monroe Regional Airport are insured through purchase of commercial insurance with deductibles from \$0 to \$25,000 and coverage limits from \$1,000 (surety bonds) to \$64,000,000 (buildings and contents). Other risks of loss, including fleet comprehensive and liability, long-term disability and comprehensive general liability, are entirely self-insured. Workers compensation losses are self insured up to \$250,000 per occurrence, with excess loss policies in force for claims in excess of the self insured retention. There were no settlements that exceeded insurance coverage for the past three years. All of the foregoing risk financing activities are accounted for in the governmental and proprietary fund types. Long-term liabilities that are covered by structured settlements which are not expected to be liquidated with expendable available financial resources in the governmental funds have been recorded in the General Long-term Obligations Account Group at estimated present value. Other long-term claims and judgments payable recorded in the General Long-term Obligations Account Group, primarily disability and workers' compensation claims, are recorded using actuarial methods. Changes in the claims liability for the year ended April 30, 2014, are as follows:

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Balance, April 30, 2013	\$ 9,969,993
Current year claims and changes in estimates	94,442
Claims paid	<u>(309,672)</u>
Balance, April 30, 2014	<u>\$ 9,754,763</u>

Included in current year claims and changes in estimates are amounts related to workers' compensation claims for incurred but not reported claims (IBNR). IBNR claims include known loss events which are expected to be presented as claims, unknown loss events that are expected to become claims and expected future developments on claims already reported. Actuarial methods were employed to determine the IBNR reserve at April 30, 2014, which was calculated to be approximately \$2 million and covers claim years since April 30, 1979.

19. SALES TAX COLLECTIONS REMITTED TO OTHER TAXING AUTHORITIES

Act 711 of the 2010 Louisiana legislative session amended LRS 24:51 (B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during fiscal year ended April 30, 2014.

	Total Collections	Collection Cost	Final Distribution
City of West Monroe	\$ 17,712,450	\$ (57,665)	\$ 17,654,785
Town of Sterlington	561,460	(3,668)	557,792
Town of Richwood	264,348	(201)	264,147
Monroe City School Board	27,403,115	(184,076)	27,219,039
Ouachita Parish School Board	42,398,066	(268,259)	42,129,807
Ouachita Parish Police Jury	13,782,321	(41,231)	13,741,090
Ouachita Parish Sheriff Office	<u>3,825,929</u>	<u>(19,763)</u>	<u>3,806,166</u>
Total	<u>\$ 105,947,689</u>	<u>\$ (574,863)</u>	<u>\$ 105,372,826</u>

**20. NONSPENDABLE, RESTRICTED, COMMITTED
AND ASSIGNED FUND BALANCES**

The following Governmental Funds' fund balances are nonspendable, legally restricted, Council committed or assigned for the following purposes:

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Fund	Nonspendable	Amount
Major Funds:		
General Fund	Prepaid expenses and other assets	\$ 423,153
General Fund	Inventories	<u>106,317</u>
Total Major Funds		<u>529,470</u>
Non-major Funds:		
Special Revenue Funds:		
CDBG Loan	Prepaid expenses and other assets	45,382
HOME Program Loans	Prepaid expenses and other assets	215,852
Capital	Prepaid expenses and other assets	<u>433,059</u>
Total Non-major Funds		<u>694,293</u>
Total Nonspendable		<u>\$ 1,223,763</u>

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2014

Fund	Restricted For	Amount
Major Funds		
Special Revenue-Capital Infrastructure	Debt	\$ 9,321,202
	Public works	10,827,033
Sales Tax Debt Service Fund	Debt	7,333,021
I-20 Corridor Capital Project Fund	Public works	14,419,356
Total Major Funds		41,900,612
Non-Major Funds		
Special Revenue Funds		
Fire Department Insurance	Public safety	1,123,377
Urban Development Action	Planning and urban development	18,190
Rental Rehab	Planning and urban development	179,833
CDBG Economic Development	Planning and urban development	10,835
Emergency Shelter	Planning and urban development	467
CDBG Loan	Planning and urban development	87,894
City Prosecuting Attorney	Judicial	157,964
DARE Program	Public safety	81,401
Police Salary Sales Tax	Public safety	423,209
Fire Salary Sales Tax	Public safety	1,239,719
HOME Program Loans	Planning and urban development	257,915
Employees' Benefits	Employees' benefits	1,258,247
MPD K-9 Donations	Public safety	38,760
PTFA-2012	Recreation facilities	261,271
Passenger Facility Charge	Public works	819,718
Debt-Service Funds		
I-20 Economic District	Debt	4,435,833
Tower Dr Economic District	Debt	568,143
Airport Terminal	Debt	1,821,887
Capital Projects Funds		
Capital Carryover	Capital improvements	1,356,786
N 18th Street Extension	Capital improvements	104,713
Tower Drive	Capital improvements	703,236
Airport Industrial Park	Capital improvements	426,401
Street Construction	Capital improvements	265,940
Collection System Improvement	Capital improvements	694,284
Fire/Drainage Improvement	Capital improvements	513,324
Water System Improvements	Capital improvements	5,784,545
US 165 Business Connector	Capital improvements	482,660
MLU-North & Mid Ramp Ph 2	Capital improvements	2,337
Total Non-Major Funds		23,118,889
Total Restricted		\$ 65,019,501

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2014

Fund	Assigned	Amount
Non-Major Funds		
Special Revenue Funds		
Diversion Program	Judicial	\$ 12,543
Equitable Share Drug Seizure Forfeiture	Public safety	27,062
Drug Seizure Forfeiture Local/State	Public safety	32,626
Downtown Economic Development	Economic development	7,349
Admin Economic Development	Economic development	2,180,309
Repairs & Maintenance	Repairs and capital improvements	17,965
Capital	Capital improvements	1,668,045
Demolition	Public works	<u>58,561</u>
Total Assigned		\$ <u>4,004,460</u>

21. PASSENGER FACILITY CHARGE-MONROE REGIONAL AIRPORT

On January 23, 2003, the Monroe Regional Airport (Airport) received approval from the Federal Aviation Administration (FAA) to impose a \$4.50 passenger facility charge (PFC) in accordance with Section 158.29 of the FAA Regulations (Title 14, Code of Federal Regulations, Part 158). On December 20, 2005, the Airport received approval to continue collecting the charge through September 1, 2008. On September 8, 2008, approval was given by the FAA to collect the charge commencing November 1, 2008 through June 1, 2036.

FAA regulations require that PFC revenues be recognized and reported as non-operating revenues in the year the fees are remitted by the air carriers (cash basis of accounting). Likewise, payments to vendors are also reported when disbursed, not when incurred. However, for financial reporting purposes, GAAP requires that these revenues and expenses be recorded on the modified accrual basis of accounting.

FAA regulations also require certain financial statement disclosures with regard to passenger facility charges. Any PFC revenue received, but not yet spent, along with interest income, is classified as restricted net assets on the Statement of Net Assets.

The FAA approved a total collection of \$1,134,672, from April 1, 2003 until January 31, 2006 for three approved projects. On December 20, 2005, the FAA approved collections of \$720,000 for one additional project. Two additional projects were approved September 8, 2008 totaling \$16,400,000.00. These projects as well as the amounts disbursed and the remaining dollars available are as follows:

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2014

Description	Project Amount	Disbursements	Available
Aircraft loading equipment improvement	\$ 504,335	\$ 504,335	\$
PFC application professional fees	40,700	40,700	
Rehabilitate airfield lighting	401,025	401,025	
Passenger terminal scoping and planning study	413,444	413,444	
New Passenger Terminal Building	16,200,000	2,146,573	14,053,427
Administrative Costs (Professional Fees)	200,000	41,619	158,382
Total	<u>\$ 17,759,504</u>	<u>\$ 3,547,696</u>	<u>\$ 14,211,809</u>

On September 15, 2009 the Application 08-03-C-00-MLU charge effective date was changed to July 1, 2006 and charge expiration date was changed to January 1, 2035.

Since the inception of the PFC, the Airport has recorded the following revenues / receipts and expenses / disbursements through fiscal year 2012 resulting in a restriction of net assets from passenger facility charges as follows:

	Accrual Basis	Cash Basis
PFC revenues / receipts	\$ 4,317,410	\$ 4,273,611
Interest earnings	50,003	50,003
Total revenues / receipts	4,367,413	4,323,616
Expenses / disbursements for PFC projects	(3,547,695)	(3,547,695)
Net PFC cash, April 30, 2014		\$ 775,921
Net assets restricted for PFC, April 30, 2014	\$ 819,718	

Any remaining funds after the completion of the projects will require a plan for the use of this revenue be submitted to the FAA for review and concurrence.

22. RESTATEMENT OF NET POSITION

The City implemented the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

The net effect to the entity-wide Statement of Net Position for the prior period adoption of GASB Statement No. 65 is as follows:

CITY OF MONROE
Monroe, Louisiana

Notes To The Financial Statements
As of And For The Year Ended April 30, 2014

	Governmental Activities
Total Net Position, April 30, 2013 as previously reported	\$ 49,310,250
Bond issuance costs not expensed as of 4/30/2013	<u>(2,645,981)</u>
Total Net Position, April 30, 2013, restated	<u>\$ 46,664,269</u>

22. SUBSEQUENT EVENTS

The City of Monroe has evaluated events through October 31, 2014, the date which the financial statements were available for issue and noted no events occurring subsequent to the reporting period requiring disclosure.

CITY OF MONROE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem tax revenue				
General property tax	\$ 4,001,873	\$ 4,258,609	\$ 4,243,388	\$ (15,221)
1974 Recreational maintenance taxes	699,001	753,404	750,940	(2,464)
1974 Public safety taxes	394,118	424,605	423,217	(1,388)
1974 Drainage taxes	487,070	525,864	524,141	(1,723)
Capital improvement tax	1,208,380	1,303,226	1,298,960	(4,266)
Police department tax	557,714	600,983	599,018	(1,965)
Fire department tax	557,714	600,983	599,018	(1,965)
Adjudicated property	27,475	14,754	16,079	1,325
Total Ad valorem tax revenue	7,933,345	8,482,428	8,454,761	(27,667)
Sales & use tax revenue				
General sales and use taxes	33,834,102	35,273,541	35,968,775	695,234
Total Sales & use tax revenue	33,834,102	35,273,541	35,968,775	695,234
Other tax revenue				
Franchise fees	1,012,685	1,012,685	905,931	(106,754)
Beer tax	86,730	86,730	71,979	(14,751)
Total Other tax revenue	1,099,415	1,099,415	977,910	(121,505)
License and permits				
Liquor licenses	80,820	80,820	78,929	(1,891)
Occupational licenses	2,558,375	2,558,375	2,497,354	(61,021)
Video bingo license	2,000	2,000	2,097	97
Sound permits			25	25
Building permits	84,000	84,000	130,880	46,880
Sewer permits	44,000	44,000	57,636	13,636
Plumbing permits	55,000	55,000	34,092	(20,908)
Electrical permits	38,400	38,400	35,348	(3,052)
Gas permits	12,400	12,400	5,230	(7,170)
Heat and air conditioning permits	14,309	14,309	13,517	(792)
Off premise sign permits	1,000	1,000	60	(940)
Culvert/Drainage Project Permit	1,175	1,175	1,385	210
Storm Water Permits		2,380	3,865	1,485
Total License and permits	2,891,479	2,893,859	2,860,418	(33,441)
Intergovernmental - Federal				
Homeland Security			1,554	1,554
Bulletproof Vest Partnership Program	7,536	7,536	7,033	(503)
LA Highway Safety Commission	87,480	87,480	144,828	57,348
High Intensity Drug Trafficking Area (HIDTA)	51,606	51,606	46,383	(5,223)
COPS Hiring Recovery Program (ARRA)	67,606	67,606		(67,606)
Total Intergovernmental - Federal	214,228	214,228	199,798	(14,430)
Intergovernmental - State				
Supplemental pay	2,412,000	2,412,000	2,081,847	(330,153)
Total Intergovernmental - State	2,412,000	2,412,000	2,081,847	(330,153)

(Continued)

CITY OF MONROE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Fees, charges and commissions				
Sales tax commission - School Board	445,000	445,000	434,281	(10,719)
Sales tax commission - West Monroe	51,000	51,000	51,000	
Sales tax commission - Police Jury	37,800	37,800	37,800	
Sales tax commission - Sterlington	2,850	2,850	3,538	688
Sales tax commission - Richwood	180	180	180	
Sales tax commission - Street Improvement	95,260	95,260	100,981	5,721
Sales tax commission - Fire	23,330	23,330	24,739	1,409
Sales tax commission - Police	23,330	23,330	24,739	1,409
Sales tax commission - Ouachita Parish Sheriff's Office	22,850	22,850	18,793	(4,057)
Sales tax commission - Hotel/Motel	4,000	4,000	4,000	
Signal light reimbursement	183,000	183,000	185,420	2,420
City Court civil fees	172,000	172,000	205,819	33,819
City sanitation service	3,075,000	3,075,000	3,155,233	80,233
Cemetery lots	16,000	16,000	16,710	710
Grass cutting fees	117,500	117,500	100,356	(17,144)
Ticket review fees	1,530	1,530	455	(1,075)
Copy charges	3,100	3,100	574	(2,526)
NSF fees	13,050	13,050	16,870	3,820
Royalty income	1,300	1,300	2,105	805
Commissions	725	725	691	(34)
American Payment System fees (BellSouth Commissions)	8,150	8,150	5,883	(2,267)
Online convenience fees	20,000	20,000	31,544	11,544
COBRA admin fees	-	236	500	264
Postage	5,400	5,400	438	(4,962)
Legal & other professional	25,650	25,650	40,933	15,283
Energy franchise fees	2,187,990	2,187,990	2,367,771	179,781
Community policing fees	80,000	80,000	91,661	11,661
Appearance & surrender fees	60,000	60,000	35,860	(24,140)
Tuition income	7,000	13,000	13,000	
Fire reports	-	718	180	(538)
Zoning income	68,000	68,000	59,071	(8,929)
Recreation department revenue	62,007	62,973	51,801	(11,172)
Golf course fees	413,552	413,552	333,458	(80,094)
Street cut reimbursements	100,000	100,000	107,543	7,543
Demolition	20,000	20,000	21,016	1,016
Total Fees, charges and commissions	7,346,554	7,354,474	7,544,943	190,469
Fines and forfeitures				
City court fines	498,857	498,857	665,559	166,702
Environmental court	5,000	5,000	620	(4,380)
Parking fines	36,750	36,750	35,522	(1,228)
DWI Probation fines	2,000	2,000	1,632	(368)
False alarms fines	15,000	15,000	6,550	(8,450)
Total Fines and forfeitures	557,607	557,607	709,883	152,276
Use of money and property				
Rental income-usage fee	56,065	56,065	52,675	(3,390)
Municipal golf course rent	14,000	14,000	24,000	10,000
Interest income	50,000	50,000	59,472	9,472
Total Use of money and property	120,065	120,065	136,147	16,082
Other revenues				
Penalty and interest	19,450	19,450	3,663	(15,787)
Miscellaneous income			40,230	40,230
Vending commissions	158	158	375	217
Police miscellaneous	60,000	60,000	64,768	4,768
Contributions & donations	2,200	26,709	26,807	98
Total Other revenues	81,808	106,317	135,843	29,526
Total Revenues	56,490,603	58,513,934	59,070,325	556,391

(Continued)

**CITY OF MONROE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014
(Unaudited)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
EXPENDITURES				
Current				
Legislative division - Council and staff	364,599	554,375	359,096	195,279
Judicial division	2,441,768	2,441,768	2,316,330	125,438
Legal division	721,573	721,573	710,014	11,559
Executive division - Chief executive and staff	947,623	972,623	910,746	61,877
Administration division	9,220,405	9,845,059	10,023,943	(178,884)
Police division	12,814,833	12,751,053	13,026,594	(275,541)
Fire division	11,987,255	11,987,813	12,307,366	(319,553)
Public Works division	9,225,032	9,225,032	9,220,160	4,872
Engineering	1,069,780	1,069,780	820,953	248,827
Culture & recreation	3,045,457	3,045,457	3,010,255	35,202
Planning and urban development division	964,678	1,034,458	1,018,108	16,350
Debt Service				
General interest expense	147,569	147,569	99,444	48,125
Capital leases	156,249	156,249	156,249	
Civic center roof	330,000	330,000	330,000	
Claims and judgments	300,000	300,000	109,568	190,432
Capital expenditures	1,240,770	2,664,769	959,739	1,705,030
Total Expenditures	54,977,591	57,247,578	55,378,565	1,869,013
EXCESS OF REVENUES OVER EXPENDITURES	1,513,012	1,266,356	3,691,760	2,425,404
OTHER FINANCING SOURCES (USES)				
Sale of assets				
Total		122,487	113,647	(8,840)
Transfers in				
Admin economic development fund		110,000	99,519	(10,481)
Capital infrastructure fund	999,591	1,062,599	768,283	(294,316)
Total transfers in	999,591	1,172,599	867,802	(304,797)
Transfers out				
Louisiana Purchase Gardens and Zoo	(95,777)	(95,777)	(160,366)	(64,589)
Monroe Transit System	(1,849,778)	(1,849,778)	(1,808,769)	41,009
Civic Center			(195,047)	(195,047)
Central Shop	(400,992)	(400,992)	(550,983)	(149,991)
DeltaFest			(76,112)	(76,112)
River Market Operations	(158,388)	(140,046)	(104,849)	35,197
Capital project funds	(7,668)	(17,428)	(1,553,487)	(1,536,059)
Admin economic development fund			(50,000)	(50,000)
Community Development Block Grant fund (CDBG)			(38,618)	(38,618)
Total transfers out	(2,512,603)	(2,504,021)	(4,538,231)	(2,034,210)
Total Other Financing Sources (Uses)	(1,513,012)	(1,208,935)	(3,556,782)	(2,347,847)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES		57,421	134,978	77,557
FUND BALANCE, BEGINNING OF YEAR	14,069,560	14,234,539	14,234,539	
FUND BALANCE, END OF YEAR	\$ 14,069,560	\$ 14,291,960	\$ 14,369,517	\$ 77,557

(Concluded)

CITY OF MONROE
Monroe, Louisiana
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Capital Infrastructure Special Revenue Fund
For the Year Ended April 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales Tax -Street Improvement	\$ 13,195,650	\$ 13,195,650	\$ 15,312,078	\$ 2,116,428
Interest income	<u>100,000</u>	<u>100,000</u>	<u>38,329</u>	<u>(61,671)</u>
Total revenues	<u>13,295,650</u>	<u>13,295,650</u>	<u>15,350,407</u>	<u>2,054,757</u>
EXPENDITURES				
Current:				
Financial administration			40	
Public works	<u>947,113</u>	<u>947,113</u>	<u>850,045</u>	<u>97,068</u>
Total expenditures	<u>947,113</u>	<u>947,113</u>	<u>850,085</u>	<u>97,028</u>
EXCESS OF REVENUES OVER EXPENDITURES	12,348,537	12,348,537	14,500,322	2,151,785
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(11,562,599)</u>	<u>(11,562,599)</u>	<u>(11,421,400)</u>	141,199
Total other financing sources (uses)	<u>(11,562,599)</u>	<u>(11,562,599)</u>	<u>(11,421,400)</u>	<u>141,199</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	785,938	785,938	3,078,922	2,292,984
FUND BALANCE, BEGINNING OF YEAR	<u>17,877,914</u>	<u>17,069,313</u>	<u>17,069,313</u>	
FUND BALANCE, END OF YEAR	<u>\$ 18,663,852</u>	<u>\$ 17,855,251</u>	<u>\$ 20,148,235</u>	<u>\$ 2,292,984</u>

**CITY OF MONROE
REQUIRED SUPPLEMENTARY INFORMATION**

**OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
APRIL 30, 2014**

Fiscal Year Ending	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2014	5/1/2013	\$ -	\$ 47,185,560	\$ 47,185,560	0.0%	\$ 41,707,775	113.1%
4/30/2013	5/1/2012	\$ -	\$ 45,370,731	\$ 45,370,731	0.0%	\$ 39,530,834	114.8%
4/30/2012	5/1/2011	\$ -	\$ 48,477,341	\$ 48,477,341	0.0%	\$ 34,503,979	140.5%

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SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
4/30/2014	\$ 3,471,669	\$ 1,560,852	44.96%	\$ 12,662,824
4/30/2013	\$ 3,364,999	\$ 1,445,233	42.95%	\$ 10,752,007
4/30/2012	\$ 3,799,718	\$ 1,474,711	38.81%	\$ 8,832,240

OTHER SUPPLEMENTAL INFORMATION

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 9,524,931	\$ 5,825,058	\$ 9,739,604	\$ 25,089,593
Receivables	993,985	1,000,805	1,027,612	3,022,402
Due from other funds	180,222		1,504,192	1,684,414
Prepaid expenses & other assets, net	694,293			694,293
Total Assets.	\$ 11,393,431	\$ 6,825,863	\$ 12,271,408	\$ 30,490,702
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts and retainage payable	\$ 385,542		\$ 959,638	\$ 1,345,180
Due to other funds	324,137		1,437,950	1,762,087
Other current liabilities	26,199			26,199
Total Liabilities	735,878		2,397,588	3,133,466
Fund Balances				
Nonspendable				
Prepaid expenses and other assets	694,293			694,293
Spendable				
Restricted	5,958,800	\$ 6,825,863	10,334,226	23,118,889
Assigned	4,004,460			4,004,460
Unassigned (deficit)			(460,406)	(460,406)
Total Fund Balances	10,657,553	6,825,863	9,873,820	27,357,236
Total Liabilities and Fund Balances	\$ 11,393,431	\$ 6,825,863	\$ 12,271,408	\$ 30,490,702

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended April 30, 2014

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Taxes				
Ad valorem		\$ 400,412		\$ 400,412
Sales	\$ 7,502,388	4,051,251		11,553,639
Intergovernmental				
Federal grants	1,503,646		\$ 515,777	2,019,423
State grants	227,232		621,264	848,496
Local grants	294,637			294,637
Fees, charges and commissions for services	1,545,258			1,545,258
Fines and forfeitures	15,450			15,450
Use of money and property	35,404	2,809	8,175	46,388
Other revenues	211,856			211,856
Total revenues	<u>11,335,871</u>	<u>4,454,472</u>	<u>1,145,216</u>	<u>16,935,559</u>
EXPENDITURES				
Current				
General government				
Judicial	76,168			76,168
Financial administration	126,348	6,002	44,750	177,100
Other general government			74,953	74,953
Public safety				
Police	3,463,539			3,463,539
Fire	3,837,063			3,837,063
Public works	27,010		197,661	224,671
Culture and recreation	638,863			638,863
Planning and urban development	1,507,126			1,507,126
Economic development and assistance	107,963			107,963
Capital outlay	4,524,072		7,395,783	11,919,855
Debt service				
Debt service principle	770,634	3,280,000		4,050,634
Debt service interest	74,800	2,078,911		2,153,711
Total expenditures	<u>15,153,586</u>	<u>5,364,913</u>	<u>7,713,147</u>	<u>28,231,646</u>
Excess (deficiency) of revenues over expenditures	<u>(3,817,715)</u>	<u>(910,441)</u>	<u>(6,567,931)</u>	<u>(11,296,087)</u>
Other Financing Sources (Uses)				
Insurance proceeds				
Sales of assets			220,750	220,750
Bond proceeds			75,132	75,132
Payment to refunding bond escrow-principal				
Payment to refunding bond escrow-interest				
Premium on bond sales				
Refund of overpayment of sales taxes				
Transfers in	493,929	1,036,024	4,117,634	5,647,587
Transfers out	(1,053,150)		(243,172)	(1,296,322)
Total other financing sources (uses)	<u>(559,221)</u>	<u>1,036,024</u>	<u>4,170,344</u>	<u>4,647,147</u>
Net changes in fund balances	(4,376,936)	125,583	(2,397,587)	(6,648,940)
Fund balances - beginning	15,034,489	6,700,280	12,271,407	34,006,176
Fund balances - ending	<u>\$ 10,657,553</u>	<u>\$ 6,825,863</u>	<u>\$ 9,873,820</u>	<u>\$ 27,357,236</u>

NONMAJOR SPECIAL REVENUE FUNDS

Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Special Revenue Funds
 April 30, 2014

	Fire Department Insurance	Community Development Block Grant	Urban Development Action	Rental Rehab	CDBG Economic Development	Emergency Shelter	CDBG Home	CDBG Loan	City Prosecuting Attorney
ASSETS									
Cash and cash equivalents	\$ 1,123,435	\$ 10,370	\$ 18,190	\$ 106,652	\$ 10,835	\$ 3,670		\$ 88,689	\$ 159,152
Receivables		109,617				87,269	\$ 41,185		8,133
Due from other funds		18,763		73,181			19,856		
Prepaid expenses & other assets, net							45,382		
Total Assets	\$ 1,123,435	\$ 138,750	\$ 18,190	\$ 179,833	\$ 10,835	\$ 90,939	\$ 61,041	\$ 134,399	\$ 167,285
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable	\$ 58	\$ 130,813				\$ 90,362	\$ 3,283		\$ 3,221
Due to other funds		5,437				110	57,758		
Unearned revenue									
Other current liabilities		2,500						\$ 1,123	6,100
Total Liabilities	58	138,750				90,472	61,041	1,123	9,321
Fund Balances									
Nonspendable									
Prepaid expenses and other assets								45,382	
Spendable									
Restricted	1,123,377		\$ 18,190	\$ 179,833	\$ 10,835	467		87,894	157,964
Assigned									
Total Fund Balances	1,123,377		18,190	179,833	10,835	467		133,276	157,964
Total Liabilities and Fund Balances	\$ 1,123,435	\$ 138,750	\$ 18,190	\$ 179,833	\$ 10,835	\$ 90,939	\$ 61,041	\$ 134,399	\$ 167,285

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Special Revenue Funds
 April 30, 2014

	DARE Program	Delta Fest	Diversion Program	Equitable Share-Federal Seizure	Drug Seizure- Local/St	Police Salary Sales Tax	Fire Salary Sales Tax	PTFA (Economic Dev)	Justice Assistance Grant
ASSETS									
Cash and cash equivalents	\$ 74,739		\$ 13,980		\$ 60,069	\$ 250,000	\$ 931,954		
Receivables	10,762	\$ 5,000				307,765	307,765		
Due from other funds		19,362		\$ 27,062					
Prepaid expenses & other assets, net									
Total Assets	\$ 85,501	\$ 24,362	\$ 13,980	\$ 27,062	\$ 60,069	\$ 557,765	\$ 1,239,719		
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts and retainage payable	\$ 4,100	\$ 19,996			\$ 381				
Due to other funds		4,366	\$ 1,437		27,062	\$ 134,556			
Unearned revenue									
Other current liabilities									
Total Liabilities	4,100	24,362	1,437		27,443	134,556			
Fund Balances									
Nonspendable									
Prepaid expenses and other assets									
Spendable									
Restricted	\$1,401					423,209	1,239,719		
Assigned			12,343	27,062	32,626				
Total Fund Balances	81,401		12,343	27,062	32,626	423,209	1,239,719		
Total Liabilities and Fund Balances	\$ 85,501	\$ 24,362	\$ 13,980	\$ 27,062	\$ 60,069	\$ 557,765	\$ 1,239,719		

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
April 30, 2014

	Downtown Economic Develop	Admin Economic Develop	HOME Program Loans	Repairs & Maintenance	Capital	Demolition	Homelessness Prevention RRP	Neighborhood Stabilization
ASSETS								
Cash and cash equivalents	\$ 7,349	\$ 2,226,709	\$ 274,328	\$ 17,965	\$ 1,778,742	\$ 58,561		\$ 63
Receivables					26,933			
Due from other funds								
Prepaid expenses & other assets, net			215,852		433,059			
Total Assets	\$ 7,349	\$ 2,226,709	\$ 490,180	\$ 17,965	\$ 2,238,734	\$ 58,561		
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts and retainage payable					\$ 116,732			
Due to other funds		\$ 46,400			20,898			
Unearned revenue								
Other current liabilities			\$ 16,413					\$ 63
Total Liabilities		46,400	16,413		137,630			63
Fund Balances								
Nonspendable								
Prepaid expenses and other assets			215,852		433,059			
Spendable								
Restricted			257,915					
Assigned	\$ 7,349	2,180,309.00		\$ 17,965	1,668,045	\$ 58,561		
Total Fund Balances	7,349	2,180,309	473,767	17,965	2,101,104	58,561		
Total Liabilities and Fund Balances	\$ 7,349	\$ 2,226,709	\$ 490,180	\$ 17,965	\$ 2,238,734	\$ 58,561		\$ 63

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
April 30, 2014

	Comp Resiliency Program	Employees' Benefits	Downtown River Market	MPD K-9 Donations	PTFA - 2012	Ouachita Well	Passenger Facility Charge	Special Revenue Total
ASSETS								
Cash and cash equivalents		\$ 1,231,314		\$ 39,241	\$ 263,003		\$ 775,921	\$ 9,524,931
Receivables	\$ 18,826	26,933					43,797	993,985
Due from other funds	3		\$ 14,383			\$ 7,284		180,222
Prepaid expenses & other assets, net								694,293
Total Assets	\$ 18,829	\$ 1,258,247	\$ 14,383	\$ 39,241	\$ 263,003	\$ 7,284	\$ 819,718	\$ 11,393,431
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts and retainage payable			\$ 14,383	\$ 481	\$ 1,732			\$ 385,542
Due to other funds	\$ 18,829					\$ 7,284		324,137
Unearned revenue								
Other current liabilities								26,199
Total Liabilities	18,829		14,383	481	1,732	7,284		735,878
Fund Balances								
Nonspendable								
Prepaid expenses and other assets								694,293
Spendable								
Restricted		\$ 1,258,247		38,760	261,271		\$ 819,718	5,958,800
Assigned								4,004,460
Total Fund Balances		1,258,247		38,760	261,271		819,718	10,657,553
Total Liabilities and Fund Balances	\$ 18,829	\$ 1,258,247	\$ 14,383	\$ 39,241	\$ 263,003	\$ 7,284	\$ 819,718	\$ 11,393,431

CITY OF MONROE
 Monroe, Louisiana
 Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Special Revenue Funds
 For the Year Ended April 30, 2014

	Fire Department Insurance	Community Development Block	Urban Development Action	Rental Rehab	CDBG Economic Development	Emergency Shelter	CDBG Home	CDBG Loan	City Prosecuting Attorney
REVENUES									
Taxes									
Sales									
Intergovernmental									
Federal grants		\$ 833,264				\$ 227,138	\$ 412,177		
State grants	\$ 194,298								
Local grants									
Fees, charges and commissions for services		2,462					\$ 328	\$ 7,006	
Fines and Forfeitures									
Use of money and property								1,189	
Other revenues								53	
Total Revenues	194,298	835,726				227,138	412,177	1,570	7,006
EXPENDITURES									
Current									
General government									
Judicial									
Financial administration									
Public safety									
Police									
Fire	11,248								
Public works									
Culture and recreation									
Planning and urban development		807,003				228,711	432,032		
Economic development and assistance									
Capital outlay		47,485							
Debt service									
Debt service principle									
Debt service interest									
Total Expenditures	11,248	854,488				228,711	432,032		
Excess (deficiency) of revenues over expenditures	183,050	(18,762)				(1,573)	(19,855)	1,570	7,007
Other Financing Sources (Uses)									
Bond Proceeds									
Insurance Proceeds									
Transfers in		18,762					19,856		
Transfers out									
Total other financing sources (uses)		18,762							
Net changes in fund balances	183,050					(1,573)		1,570	7,007
Fund balances - beginning	940,327	\$ 18,190	\$ 179,833	\$ 10,835	2,040		131,706	150,957	
Fund balances - ending	\$ 1,123,377	\$ 18,190	\$ 179,833	\$ 10,835	\$ 467		\$ 133,276	\$ 157,964	

(continued)

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended April 30, 2014

	DARE Program	Delta Fest	Diverson Program	Equitable Share- Federal Seizure	Drug Seizure- Local/St	Police Salary Sales Tax	Fire Salary Sales Tax	PTFA (Economic Develop)	Justice Assistance Grant
REVENUES									
Taxes									
Sales						\$ 3,751,194	\$ 3,751,194		
Intergovernmental									
Federal grants									\$ 1,450
State grants	\$ 26,924								
Local grants		\$ 5,000							
Fees, charges and commissions for services		43,993	\$ 47,700						
Fines and Forfeitures					\$ 15,450				
Use of money and property						1,583	4,095		
Other revenues									
Total Revenues	26,924	48,993	47,700		15,450	3,752,777	3,755,289		1,450
EXPENDITURES									
Current									
General government									
Judicial			76,168						
Financial administration									
Public safety									
Police	27,095				5,376	3,429,618			1,450
Fire							3,825,815		
Public works									
Culture and recreation		125,105							
Planning and urban development									
Economic development and assistance									
Capital outlay									
Debt service									
Debt service principle									
Debt service interest									
Total Expenditures	27,095	125,105	76,168		5,376	3,429,618	3,825,815		1,450
Excess (deficiency) of revenues over expenditures	(171)	(76,112)	(28,468)		10,074	323,159	(70,526)		
Other Financing Sources (Uses)									
Bond Proceeds									
Insurance Proceeds									
Transfers in		76,112		\$ 27,062					
Transfers out					(27,062)			\$ (586)	
Total other financing sources (uses)		76,112		27,062	(27,062)			(586)	
Net changes in fund balances	(171)		(28,468)	27,062	(16,988)	323,159	(70,526)	(586)	
Fund balances - beginning	81,572		41,011		49,614	100,050	1,310,245	586	
Fund balances - ending	\$ 81,401		\$ 12,543	\$ 27,062	\$ 32,626	\$ 423,209	\$ 1,239,719		

(continued)

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended April 30, 2014

	Downtown Economic Develop	Admin Economic Develop	HOME Program Loans	Repairs & Maintenance	Capital	Demolition	Homelessness Prevention RRP	Neighborhood Stabilization
REVENUES								
Taxes								
Sales								
Intergovernmental								
Federal grants								
State grants								
Local grants		\$ 224,197						
Fees, charges and commissions for services			\$ 302		\$ 414,469	\$ 17,927		
Fines and forfeitures				\$ 176	9,300			
Use of money and property		8,867	7,737		9,300			
Other revenues	\$ 250	90,246	337		90,246			
Total Revenues	250	323,310	8,376	176	514,015	17,927		
EXPENDITURES								
Current								
General government								
Judicial								
Financial administration				11,770	112,376			
Public safety								
Police								
Fire								
Public works					19,102	3,551		
Culture and recreation					9,941			
Planning and urban development							\$ 9,760	
Economic development and assistance	8,810	99,133						
Capital outlay				64,351	4,348,888			
Debt service								
Debt service principle					770,634			
Debt service interest					74,800			
Total Expenditures	8,810	99,133		76,121	5,335,741	3,551	9,760	
Excess (deficiency) of revenues over expenditures	(8,560)	224,157	8,376	(75,945)	(4,821,726)	14,376	(9,760)	
Other Financing Sources (Uses)								
Bond Proceeds								
Insurance Proceeds								
Transfers in		50,586			179,655		9,760	
Transfers out	(23,594)	(122,325)			(20,898)			
Total other financing sources (uses)	(23,594)	(71,739)			158,757		9,760	
Net changes in fund balances	(32,154)	152,418	8,376	(75,945)	(4,662,969)	14,376		
Fund balances - beginning	39,503	2,027,891	465,391	93,910	6,764,073	44,185		
Fund balances - ending	\$ 7,349	\$ 2,180,309	\$ 473,767	\$ 17,965	\$ 2,101,104	\$ 58,561		

(continued)

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended April 30, 2014

	Comp Resiliency Program	Employees' Benefits	Downtown Riverfront Market	MPD K-9 Donations	PTFA - 2012	Ouachita Well	Passenger Facility Charge	Special Revenue Total
REVENUES								
Taxes								
Sales								\$ 7,502,368
Intergovernmental								
Federal grants	\$ 29,617							1,503,646
State grants			\$ 6,010					227,232
Local grants			27,876			\$ 37,564		294,637
Fees, charges and commissions for services		\$ 414,469	93,883				\$ 502,719	1,543,258
Fines and Forfeitures								15,450
Use of money and property					\$ 2,152		305	35,404
Other revenues			15,348	\$ 15,376				211,856
Total Revenues	29,617	414,469	143,117	15,376	2,152	37,564	503,024	11,335,871
EXPENDITURES								
Current								
General government								
Judicial								76,168
Financial administration		2,202						126,348
Public safety								
Police								3,463,539
Fire								3,837,063
Public works				4,329			28	27,010
Culture and recreation			247,966		255,851			633,363
Planning and urban development	29,620							1,507,126
Economic development and assistance								107,963
Capital outlay				13,500		49,848		4,524,072
Debt service								
Debt service principle								770,634
Debt service interest								74,800
Total Expenditures	29,620	2,202	247,966	17,829	255,851	49,848	28	15,153,586
Excess (deficiency) of revenues over expenditures	(3)	412,267	(104,849)	(2,453)	(253,699)	(12,284)	502,996	(3,817,715)
Other Financing Sources (Uses)								
Bond Proceeds								
Insurance Proceeds								
Transfers in	3		104,849			7,284		493,929
Transfers out		(438,685)					(420,000)	(1,053,150)
Total other financing sources (uses)	3	(438,685)	104,849			7,284	(420,000)	(559,221)
Net changes in fund balances		(26,418)		(2,453)	(253,699)	(5,000)	82,996	(4,376,936)
Fund balances - beginning		1,284,665		41,212	514,970	5,000	736,722	15,034,489
Fund balances - ending		\$ 1,258,247		\$ 38,760	\$ 261,271		\$ 819,718	\$ 10,657,553

(concluded)

NONMAJOR DEBT SERVICE FUNDS

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
Debt Service Funds
April 30, 2014

	<u>I-20 Economic District</u>	<u>Tower Dr Economic District</u>	<u>Airport Terminal</u>	<u>Debt Service Total</u>
ASSETS				
Cash and cash equivalents	\$ 3,672,568	\$ 335,360	\$ 1,817,130	\$ 5,825,058
Receivables	763,265	232,783	4,757	1,000,805
Total Assets	<u>\$ 4,435,833</u>	<u>\$ 568,143</u>	<u>\$ 1,821,887</u>	<u>\$ 6,825,863</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Fund Balances				
Restricted for debt service	<u>\$ 4,435,833</u>	<u>\$ 568,143</u>	<u>\$ 1,821,887</u>	<u>6,825,863</u>
Total Fund Balances	<u>4,435,833</u>	<u>568,143</u>	<u>1,821,887</u>	<u>6,825,863</u>
Total Liabilities and Fund Balances	<u>\$ 4,435,833</u>	<u>\$ 568,143</u>	<u>\$ 1,821,887</u>	<u>\$ 6,825,863</u>

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Debt Service Funds
For the Year Ended April 30, 2014

	<u>I-20 Economic District</u>	<u>Tower Dr Economic District</u>	<u>Airport Terminal</u>	<u>Debt Service Total</u>
REVENUES				
Taxes				
Ad valorem			\$ 400,412	\$ 400,412
Sales	\$ 3,157,201	\$ 894,050		4,051,251
Use of money and property	1,503	420	886	2,809
Total Revenues	<u>3,158,704</u>	<u>894,470</u>	<u>401,298</u>	<u>4,454,472</u>
EXPENDITURES				
Current				
General government				
Financial administration			6,002	6,002
Debt service				
Debt service principle	2,115,000	725,000	440,000	3,280,000
Debt service interest	913,494	279,004	886,413	2,078,911
Total Expenditures	<u>3,028,494</u>	<u>1,004,004</u>	<u>1,332,415</u>	<u>5,364,913</u>
Excess (deficiency) of revenues over (under) expenditures	<u>130,210</u>	<u>(109,534)</u>	<u>(931,117)</u>	<u>(910,441)</u>
Other Financing Sources (Uses)				
Transfers in				
		86	1,035,938	1,036,024
Total other financing sources (uses)		<u>86</u>	<u>1,035,938</u>	<u>1,036,024</u>
Net changes in fund balances	130,210	(109,448)	104,821	125,583
Fund balances - beginning	4,305,623	677,591	1,717,066	6,700,280
Fund balances - ending	<u>\$ 4,435,833</u>	<u>\$ 568,143</u>	<u>\$ 1,821,887</u>	<u>\$ 6,825,863</u>

NONMAJOR CAPITAL PROJECTS FUNDS

CITY OF MONROE
Monroe, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Funds
April 30, 2014

	Capital Carryover	N. 18TH Street Extension	Tower Drive	Airport Industrial Park	Street Construction	Collection System Improvement	Fire/Drainage Improvement	Water System Improvements
ASSETS								
Cash and cash equivalents	\$ 1,356,786	\$ 104,713	\$ 1,224,339	\$ 475,259	\$ 335,520	\$ 740,790	\$ 513,324	\$ 4,495,922
Receivables Due from other funds								1,392,036
Total Assets	<u>\$ 1,356,786</u>	<u>\$ 104,713</u>	<u>\$ 1,224,339</u>	<u>\$ 475,259</u>	<u>\$ 335,520</u>	<u>\$ 740,790</u>	<u>\$ 513,324</u>	<u>\$ 5,887,958</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts and retainage payable Due to other funds			\$ 521,103	\$ 4,000 44,858	\$ 69,580	\$ 46,506		\$ 103,413
Total Liabilities			<u>521,103</u>	<u>48,858</u>	<u>69,580</u>	<u>46,506</u>		<u>103,413</u>
Fund Balances								
Spendable								
Restricted for capital improvements	\$ 1,356,786	\$ 104,713	703,236	426,401	265,940	694,284	\$ 513,324	5,784,545
Unassigned (deficit)								
Total Fund Balances	<u>1,356,786</u>	<u>104,713</u>	<u>703,236</u>	<u>426,401</u>	<u>265,940</u>	<u>694,284</u>	<u>513,324</u>	<u>5,784,545</u>
Total Liabilities and Fund Balances	<u>\$ 1,356,786</u>	<u>\$ 104,713</u>	<u>\$ 1,224,339</u>	<u>\$ 475,259</u>	<u>\$ 335,520</u>	<u>\$ 740,790</u>	<u>\$ 513,324</u>	<u>\$ 5,887,958</u>

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Capital Projects Funds
 April 30, 2014

	US 165 Business Connector	Water Meter Replacement	Airport Terminal	Kansas Lane Connector	Gardner Denver Bldg	MLU-Runway	MLU-North Ramp Rehab & Extension	GOHSEP Community Center Repairs
ASSETS								
Cash and cash equivalents	\$ 491,897		\$ 1,052			\$ 2		
Receivables			4,952	\$ 259,232			\$ 7,142	\$ 433
Due from other funds					\$ 44,750			
Total Assets	<u>\$ 491,897</u>		<u>\$ 6,004</u>	<u>\$ 259,232</u>	<u>\$ 44,750</u>	<u>\$ 2</u>	<u>\$ 7,142</u>	<u>\$ 433</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts and retainage payable	\$ 9,237		\$ 4,950	\$ 27,761			\$ 1,298	
Due to other funds			1,054	408,992	\$ 44,750	\$ 2	5,844	\$ 433
Other current liabilities								
Total Liabilities	<u>9,237</u>		<u>6,004</u>	<u>436,753</u>	<u>44,750</u>	<u>2</u>	<u>7,142</u>	<u>433</u>
Fund Balances								
Spendable								
Restricted for capital improvements	482,660							
Unassigned (deficit)				(177,521)				
Total Fund Balances	<u>482,660</u>			<u>(177,521)</u>				
Total Liabilities and Fund Balances	<u>\$ 491,897</u>		<u>\$ 6,004</u>	<u>\$ 259,232</u>	<u>\$ 44,750</u>	<u>\$ 2</u>	<u>\$ 7,142</u>	<u>\$ 433</u>

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Capital Projects Funds
 April 30, 2014

	MLU-Taxiways ADEFHJ Rehab	Louisville Enhancement Phase 2	MLU-Security Fence Upgrade	MLU-Security Fence Relocation	DRU Gustav/Ike Storm Water	MLU-Airport Drainage	GOHSEP Civic Center Generator	MLU-ARFF Station
ASSETS								
Cash and cash equivalents								
Receivables	\$ 141,352		\$ 453,568	\$ 20,063			\$ 94,117	
Due from other funds		\$ 20,898	44,858					
Total Assets	\$ 141,352	\$ 20,898	\$ 498,426	\$ 20,063			\$ 94,117	
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts and retainage payable			\$ 34,743	\$ 14,452	\$ 39,550	\$ 400		\$ 2,159
Due to other funds	\$ 141,352	\$ 20,898	487,828	21,469		5,205	\$ 94,117	117,217
Total Liabilities	141,352	20,898	522,571	35,921	39,550	5,605	94,117	119,376
Fund Balances								
Spendable								
Restricted for capital improvements								
Unassigned (deficit)			(24,145)	(15,858)	(39,550)	(5,605)		(119,376)
Total Fund Balances			(24,145)	(15,858)	(39,550)	(5,605)		(119,376)
Total Liabilities and Fund Balances	\$ 141,352	\$ 20,898	\$ 498,426	\$ 20,063			\$ 94,117	

CITY OF MONROE
 Monroe, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Capital Projects Funds
 April 30, 2014

	<u>MLU-South Ramp Rehab</u>	<u>MLU-Perimeter Road Ph 1&2</u>	<u>MLU-North & Mid Ramp Ph 2</u>	<u>Masur Museum Roof Repair</u>	<u>Capital Projects Total</u>
ASSETS					
Cash and cash equivalents					\$ 9,739,604
Receivables			\$ 46,753		1,027,612
Due from other funds				\$ 1,650	1,504,192
Total Assets			<u>\$ 46,753</u>	<u>\$ 1,650</u>	<u>\$ 12,271,408</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts and retainage payable	\$ 67,826	\$ 10,525	\$ 485	\$ 1,650	\$ 959,638
Due to other funds			43,931		1,437,950
Total Liabilities	<u>67,826</u>	<u>10,525</u>	<u>44,416</u>	<u>1,650</u>	<u>2,397,588</u>
Fund Balances					
Spendable					
Restricted for capital improvements			2,337		10,334,226
Unassigned (deficit)	(67,826)	(10,525)			(460,406)
Total Fund Balances	<u>(67,826)</u>	<u>(10,525)</u>	<u>2,337</u>		<u>9,873,820</u>
Total Liabilities and Fund Balances			<u>\$ 46,753</u>	<u>\$ 1,650</u>	<u>\$ 12,271,408</u>

CITY OF MONROE
 Monroe, Louisiana
 Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Capital Projects Funds
 For the Year Ended April 30, 2014

	Capital Carryover	N. 18TH Street Extension	Tower Drive	Airport Industrial Park	Street Construction	Collection System Improve	Fire/Drainage Improvement	Water System Improvements
REVENUES								
Intergovernmental								
Federal grants								
State grants								
Use of money and property			\$ 571	\$ 2,549		\$ 2,873	\$ 2,182	
Total Revenues			571	2,549		2,873	2,182	
EXPENDITURES								
Current								
Financial administration						74,953		
Other general government						190,953		\$ 1,074
Public works				5,634				
Capital outlay			5,553,383	23,950		245,476	11,550	95,400
Total Expenditures			5,553,383	29,584		511,382	11,550	96,474
Excess (deficiency) of revenues over expenditures			(5,552,812)	(27,035)		(508,509)	(9,368)	(96,474)
Other Financing Sources (Uses)								
Sale of assets				220,750				
Bond proceeds						75,132		
Transfers in	\$ 1,356,786					500,000		2,072,555
Transfers out			(86)	(85,584)				
Total other financing sources (uses)	1,356,786		(86)	135,166		575,132		2,072,555
Net changes in fund balances	1,356,786		(5,552,898)	108,131		66,623	(9,368)	1,976,081
Fund balances - beginning	\$ 104,713	\$ 104,713	6,256,134	318,270	\$ 265,940	627,661	522,692	3,808,464
Fund balances - ending	\$ 1,356,786	\$ 104,713	\$ 703,236	\$ 426,401	\$ 265,940	\$ 694,284	\$ 513,324	\$ 5,784,545

(continued)

CITY OF MONROE
 Monroe, Louisiana
 Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Capital Projects Funds
 For the Year Ended April 30, 2014

	US 165 Business Connector	Water Meter Replacement	Airport Terminal	Kansas Lane Connector	Gardner Denver Bldg	MLU-Runway	MLU-North Ramp Rehab & Ext.	GOHSEP Community Centers Repairs
REVENUES								
Intergovernmental								
Federal grants			\$ 4,704	\$ 10,737		\$ 161,361	\$ 64,282	
State grants			247			8,490	7,142	\$ 6,222
Use of money and property								
Total Revenues			4,951	10,737		169,851	71,424	6,222
EXPENDITURES								
Current								
Financial administration					\$ 44,750			
Other general government								
Public works								
Capital outlay	\$ 111,738		40,365	14,015		169,849		6,222
Total Expenditures	111,738		40,365	14,015	44,750	169,849		6,222
Excess (deficiency) of revenues over expenditures	(111,738)		(35,414)	(3,278)	(44,750)	2	71,424	
Other Financing Sources (Uses)								
Sale of assets								
Bond proceeds								
Transfers in			35,414		44,750	(2)	40,725	
Transfers out		\$ (157,502)						
Total other financing sources (uses)		(157,502)	35,414		44,750	(2)	40,725	
Net changes in fund balances	(111,738)	(157,502)		(3,278)			112,149	
Fund balances - beginning	594,398	157,502		(174,243)			(112,149)	
Fund balances - ending	\$ 482,660			\$ (177,521)				

(continued)

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects Funds
For the Year Ended April 30, 2014

	Taxiways ADEFHJ Rehab MLU	Louisville Enhancement Ph 2	MLU-Security Fence Upgrade	MLU-Security Fence Relocation	DRU Gustaw/Ike Storm Water	MLU-Airport Drainage	GOHSEP-Civic Center Generator	MLU-ARFF Station
REVENUES								
Intergovernmental								
Federal grants				\$ 180,576			\$ 94,117	
State grants	\$ 78,779		\$ 453,568	20,063				
Use of money and property								
Other Revenues								
Total Revenues	78,779		453,568	200,639			94,117	
EXPENDITURES								
Current								
General government								
Financial administration								
Other general government								
Public works								
Capital outlay	78,779	\$ 20,898	484,607	156,486	\$ 39,550	\$ 5,605	\$ 94,117	\$ 119,376
Total Expenditures	78,779	20,898	484,607	156,486	39,550	5,605	94,117	119,376
Excess (deficiency) of revenues over expenditures		(20,898)	(31,039)	44,153	(39,550)	(5,605)		(119,376)
Other Financing Sources (Uses)								
Sale of assets								
Bond proceeds								
Transfers in		20,898	44,858					
Transfers out								
Total other financing sources (uses)		20,898	44,858					
Net changes in fund balances			13,819	44,153	(39,550)	(5,605)		(119,376)
Fund balances - beginning			(37,964)	(60,011)				
Fund balances - ending			\$ (24,145)	\$ (15,858)	\$ (39,550)	\$ (5,605)		\$ (119,376)

(continued)

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects Funds
- For the Year Ended April 30, 2014

	MLU-South Ramp Rehab	MLU- Perimeter Road Ph 1 & 2	MLU-North & Mid Ramp Ph 2	Masur Museum Roof Repair	Capital Projects Total
REVENUES					
Intergovernmental					
Federal grants					\$ 515,777
State grants			\$ 46,753		621,264
Use of money and property					8,175
Total Revenues			46,753		1,145,216
EXPENDITURES					
Current					
General government					
Financial administration					44,750
Other general government					74,953
Public works					197,661
Capital outlay	\$ 67,826	\$ 10,525	\$ 44,416	\$ 1,650	7,395,783
Total Expenditures	67,826	10,525	44,416	1,650	7,713,147
Excess (deficiency) of revenues over expenditures	(67,826)	(10,525)	2,337	(1,650)	(6,567,931)
Other Financing Sources (Uses)					
Sale of assets					220,750
Bond proceeds					75,132
Transfers in				1,650	4,117,634
Transfers out					(243,172)
Total other financing sources (uses)				1,650	4,170,344
Net changes in fund balances	(67,826)	(10,525)	2,337		(2,397,587)
Fund balances - beginning					12,271,407
Fund balances - ending	\$ (67,826)	\$ (10,525)	\$ 2,337		\$ 9,873,820

(concluded)

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Net Position
Internal Service Funds
April 30, 2014

	Employees' Group Insurance	Central Shop	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,363,075		\$ 1,363,075
Inventories		\$ 36,305	36,305
Total Current assets	1,363,075	36,305	1,399,380
Noncurrent assets			
Capital assets, net of accumulated depreciation			
Land		45,000	45,000
Buildings and improvements		3,406,242	3,406,242
Furniture & Equipment		266,043	266,043
Accumulated depreciation		(1,531,422)	(1,531,422)
Total Noncurrent assets		2,185,863	2,185,863
Total Assets	1,363,075	2,222,168	3,585,243
LIABILITIES			
Current liabilities			
Accounts and retainage payable		55,026	55,026
Accrued liabilities	962,622		962,622
Total Current liabilities	962,622	55,026	1,017,648
Total Liabilities	962,622	55,026	1,017,648
NET POSITION			
Unrestricted	400,453	2,167,142	2,567,595
Total Net Position	\$ 400,453	\$ 2,167,142	\$ 2,567,595

CITY OF MONROE
Monroe, Louisiana
Combining Schedule of Revenues, Expenditures,
and Changes in Net Position
Internal Service Funds
For the Year Ended April 30, 2014

	Employees' Group Insurance	Central Shop	Total
Operating revenues			
Charges for Services	\$ 7,257,037	\$ 1,154,124	\$ 8,411,161
Total operating revenues	7,257,037	1,154,124	8,411,161
Operating expenses			
Benefits paid to participants	10,243,604		10,243,604
Salaries, wages, and benefits		862,688	862,688
Materials, repairs, and supplies		11,529	11,529
Utilities and communications		39,905	39,905
Depreciation and amortization		93,479	93,479
Shop expenses		808,150	808,150
Other operating expenses	97	17,371	17,468
Total operating expenses	10,243,701	1,833,122	12,076,823
Operating income (loss)	(2,986,664)	(678,998)	(3,665,662)
Nonoperating revenues (expenses)			
Interest income	3,837		3,837
Total nonoperating revenues (expenses)	3,837		3,837
Income (loss) before contributions and transfer	(2,982,827)	(678,998)	(3,661,825)
Other Financing Sources (Uses)			
Transfers in	438,685	550,983	989,668
Total other financing sources (uses)	438,685	550,983	989,668
Change in net position	(2,544,142)	(128,015)	(2,672,157)
Total net position - Beginning	2,944,595	2,295,157	5,239,752
Total net position - Ending	\$ 400,453	\$ 2,167,142	\$ 2,567,595

CITY OF MONROE
Monroe, Louisiana
Proprietary Fund Type - Internal Service Funds
Combining Schedule of Cash Flows
For the Year Ended April 30, 2014

	Employees' Group Insurance	Central Shop	Total
Cash flows from operating activities			
Cash received from customers	\$ 7,284,437	\$ 1,156,704	\$ 8,441,141
Cash payments to suppliers for goods and services	(9,921,507)	(844,999)	(10,766,506)
Cash payments to employees for services and benefits	(2,637,070)	(862,688)	(862,688)
Net cash provided by (used for) operating activities	(2,637,070)	(550,983)	(3,188,053)
Cash flows from noncapital financing activities			
Transfers in	438,685	550,983	989,668
Net cash provided by noncapital financing activities	438,685	550,983	989,668
Cash flows from investing activities			
Interest received on investments	3,837		3,837
Net cash provided by investing activities	3,837		3,837
Net increase (decrease) in cash and cash equivalents	(2,194,548)		(2,194,548)
Cash and cash equivalents, May 1, 2013	3,557,623		3,557,623
Cash and cash equivalents, April 30, 2014	\$ 1,363,075		\$ 1,363,075
Reconciliation of operating income to net cash provided by (used for) operating activities			
Operating Income (loss)	\$ (2,986,664)	\$ (678,998)	\$ (3,665,662)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation		93,479	93,479
Changes in assets and liabilities			
Due from other funds	27,400	2,580	29,980
Inventories		2,428	2,428
Accounts payable	322,194	30,193	352,387
Due to other funds		(665)	(665)
Net cash provided by (used for) operating activities	\$ (2,637,070)	\$ (550,983)	\$ (3,188,053)

OTHER MISCELLANEOUS SCHEDULES

CITY OF MONROE
Monroe, Louisiana

**SCHEDULE OF ASSESSED VALUATION
AND AD VALOREM PROPERTY TAX LEVY
FOR THE 2013 TAX ROLL**

Assessed Valuation		<u>\$ 396,959,509</u>
Tax Rate per thousand dollars (Mills)		<u>27.15</u>
Gross Tax Levy		\$ 10,777,451
Plus: Adjustments		139,527
Adjusted Tax Levy		<u>\$ 10,916,978</u>
Tax Collected		
2013 Tax Roll		\$ 10,905,260
Prior Years Tax Rolls		6,842
Total		<u>\$ 10,912,102</u>

ALLOCATION OF TAXES COLLECTED	<u>MILLS</u>	
General Fund	10.65	\$ 4,268,339
Recreation Center Maintenance	1.88	752,915
Public Safety	1.06	424,331
Drainage Maintenance	1.31	525,518
Civic Center Complex	2.50	1,002,077
Louisiana Purchase Gardens & Zoo	2.50	1,002,077
Capital Improvements	3.25	1,302,374
Police Department	1.50	600,594
Fire Department	1.50	600,594
Airport Improvements	1.00	401,463
Grasscutting Collections		25,041
Demolition Collections		6,779
Total	<u>27.15</u>	<u>\$ 10,912,102</u>

GENERAL BONDED DEBT SUPPORTED BY TAX LEVY		
Airport		<u>\$ 17,360,000</u>

PERCENT OF BONDED DEBT TO ASSESSED VALUATION		4.37%
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CITY OF MONROE
Monroe, Louisiana
SCHEDULE OF TAXES RECEIVABLE
AS OF APRIL 30, 2014

<u>Tax Year</u>	<u>Balance at April 30, 2013 (gross)</u>	<u>2013 Tax Roll</u>	<u>Supplemental Assessments</u>	<u>Cancellations And Other Adjustments</u>	<u>Collections</u>	<u>Balance at 4/30/14</u>	<u>Allowance For Uncollectible Taxes</u>	<u>Estimated Collectible Taxes at 4/30/14</u>
Previous years								
2005								
2006	\$ 2,412				(60)	\$ 2,352	\$ (2,329)	\$ 23
2007	55,859				(197)	55,662	(55,105)	557
2008	13,075				(266)	12,809	(12,169)	640
2009	103,990				(569)	103,421	(98,250)	5,171
2010	281,164				928	282,092	(253,883)	28,209
2011	300,264				(4,189)	296,075	(236,860)	59,215
2012	115,754				(2,489)	113,265	(84,949)	28,316
2013		\$ 10,777,451	\$ 211,195	(71,668)	(10,905,260)	11,718	(4,688)	7,030
Totals	\$ 872,518	\$ 10,777,451	\$ 211,195	\$ (71,668)	\$ (10,912,102)	\$ 877,394	\$ (748,233)	\$ 129,161

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ALLOCATION OF FUNDS	Balance at April 30, 2013 (net)	Balance at April 30, 2014 (net)	Applicable Millages at 4/30/14	Applicable Millages as % of Total Millages
General Fund	\$ 122,836	\$ 100,618	21.15	77.90%
Enterprise Funds:				
Airport	5,808	4,757	1.00	3.68%
Civic Center	14,519	11,893	2.50	9.21%
La. Purchase Gardens & Zoo	14,519	11,893	2.50	9.21%
Totals	\$ 157,682	\$ 129,161	27.15	100.00%

CITY OF MONROE
Monroe, Louisiana
Schedule of Insurance
April 30, 2014
(Unaudited)

INSURER	ASSETS COVERED	RISK COVERED	LIMITS OF COVERAGE	DEDUCTIBLE	EXPIRATION DATE
Callin Insurance Company, Inc.	Monroe Municipal Airport	General Aggregate	25,000,000	N/A	4/1/2015
		Property damage liability	25,000,000	N/A	
		Single limit bodily injury	25,000,000	N/A	
		Personal & advertising injury	25,000,000	N/A	
		Malpractice Aggregate Limit	25,000,000	N/A	
		Misdirection of passenger(s) to wrong aircraft	25,000,000	N/A	
		Medical expense limit (any one person)	1000 per person/5000 aggregate	N/A	
		Fire damage	100,000	N/A	
		Hangarkeeper's liability	25,000,000	N/A	
		Each aircraft	25,000,000	N/A	
		Each occurrence	25,000,000	N/A	
		Non-owned Aircraft liability limit	25,000,000	N/A	
		Specific Excess liability over Employers Liability	2,000,000	N/A	
James Rivers Insurance	Black Bayou	General Aggregate	2,000,000	5,000	7/30/2014
		Products	included		
		Personal Injury	1,000,000		
		Each Occurrence	1,000,000		
		Fire Damage	50,000		
Allianz Global Corporate & Specialty	Communication Tower	Fire, Vandalism, Explosion, & Collapse	191,435	1,000 5000/lightning	10/28/2014
Scottsdale Insurance Company	Cherrieault Park & Golf Course	General liability			5/23/2014
		General Aggregate	2,000,000		
		Prod/Comp Ops Aggregate	2,000,000		
		Personal & advertising injury	1,000,000		
		Each occurrence	1,100,000		
Medical Payments	5,000				
Great Amer. Insurance Co.	Golf Carts/Equipment	Commercial Inland Marine	445,813	500	6/12/2015
Travelers	Employees @various locations	Dishonesty Bond	100,000		12/15/2014
Travelers Property Casualty	David Barnes	Surety bond coverage as secretary-treasurer and tax collector of the City of Monroe & Ouachita Parish Police Jury, respectively	50,000	N/A	4/1/2015
Travelers Property Casualty	David Barnes	Surety bond as collector of sales and use tax of the city school board of Monroe & Ouachita Parish School Board	50,000	N/A	4/1/2015
Travelers Property Casualty	David Barnes	Surety bond as collector for the City of West Monroe	50,000	N/A	4/1/2015

CITY OF MONROE
Monroe, Louisiana
Schedule of Insurance
April 30, 2014
(Unaudited)

INSURER	ASSETS COVERED	RISK COVERED	LIMITS OF COVERAGE	DEDUCTIBLE	EXPIRATION DATE
Travelers Property Casualty	David Barnes	Surety bond as secretary-treasurer of City of Monroe	100,000	N/A	4/1/2015
Travelers Property Casualty	David Barnes	Surety bond as tax collector for Town of Richwood & Town of Sterlington	100,000	N/A	4/1/2015
Liberty Mutual	Various Bldgs.	Blanket Real Property Blanket Personal Property Blanket Extra Expense.	74,800,214 10,726,602 500,000	10,000/1% on hail	1/15/2015
Travelers	Monroe Civic Center	Blanket Building Coverage Windstorm/Hail Earthquake	45,821,320	5,000 25,000 25,000	8/16/2014
First Financial Insurance Corporation	Monroe Civic Center	General Liability: General-aggregate Products-completed operations aggregate Personal and advertising injury limit Each occurrence Fire/Damage Limit Medical Expense Limit Liquor Liability	2,000,000 2,000,000 1,000,000 1,000,000 100,000 5,000 1,000,000	10,000	3/1/2015
Axis Insurance Company	La Purchase Gardens & Zoo	Commercial General Liability General Aggregate Products- Completed Operations Aggregate Limit Personal & Advertising Injury Limit Each Occurrence Limit Damage to Premises Rented to You	5,000,000 3,000,000 1,000,000 1,000,000 500,000		8/20/2014
Travelers Property & Casualty	Monroe Transit System	Auto Liability Auto Physical Damage	1,000,000 various	10,000 various	10/1/2014
Traveler's Indemnity	Monroe Transit System	General Liability General Aggregate Products/Completed Ops Aggregate Personal & Advertising Injury Each Occurrence Limit	1,000,000 1,000,000 1,000,000 1,000,000	none	
Traveler's Indemnity	Monroe Transit System	Umbrella Liability	4,000,000	none	
Safety National	Excess Workers Comp & Employers Liability	Each Accident Each Employee or Disease Employer's Liability Insurance Including Stop Gap Self-insured Retention per occurrence	Statutory Statutory 1,000,000	2,000,000	5/1/2014
Western World	Fire Department Mobile Unit	Combined Liability	1,000,000		8/21/2014

CITY OF MONROE
 Monroe, Louisiana
 Schedule of Insurance
 April 30, 2014
 (Unaudited)

INSURER	ASSETS COVERED	RISK COVERED	LIMITS OF COVERAGE	DEDUCTIBLE	EXPIRATION DATE
USF	Fire Dept. Mobile Unit	Liability			8/21/2014
		General Aggregate	1,000,000		
		Fire Damage	50,000		
		Each Occurrence	1,000,000		
		Personal Injury	1,000,000		
Great American Insurance	Fire Department Mobile Unit	Liability	33,574	500	9/21/2014
Capitol Specialty Insurance Corp	Welcome to Monroe Sign	General Liability			1/24/2015
		General Aggregate Limit	2,000,000		
		Each Occurrence Limit	1,000,000		
		Medical Expense Limit	5,000		
		Fire Damage	100,000		
Covington Specialty Insurance	Cooley House	Building	200,000	2,500	3/15/2014
Specialty Risk Associates	Downtown Monroe Alliance	General Liability			2/25/2015
		Each Occurrence	1,000,000		
		Damage to rented property	50,000		
		Medical Expense Any one person	5,000		
		Personal and advertising injury	1,000,000		
		General Aggregate	2,000,000		
		Products	2,000,000		

CITY OF MONROE
Monroe, Louisiana

**SCHEDULE OF LONG-TERM OBLIGATIONS
FOR THE YEAR ENDED APRIL 30, 2014**

	<u>Issue Dates</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance April 30, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance April 30, 2014</u>	<u>Principal Maturity Schedule For Future Years</u>
GOVERNMENTAL ACTIVITIES								
Tax Increment Bonds:								
	2012	2.71%	\$ 10,590,000	\$ 10,140,000		\$ 725,000	\$ 9,415,000	\$745,000 - \$975,000 to March 1, 2025
	2012		281,610	234,675		46,935	187,740	
	2011	2.00% - 5.00%	10,000,000	9,130,000		640,000	8,490,000	\$650,000 - \$935,000 to March 1, 2025
	2012	2.71%	20,530,000	20,530,000		1,475,000	19,055,000	\$1,510,000 - \$1,975,000 to March 1, 2025
	2012		165,597	137,998		27,599	110,399	
			<u>41,567,207</u>	<u>40,172,673</u>	<u>-</u>	<u>2,914,534</u>	<u>37,258,139</u>	
Certificates of Indebtedness:								
	2004C	3.75%	2,550,000	330,000		330,000	-	
			<u>2,550,000</u>	<u>330,000</u>	<u>-</u>	<u>330,000</u>	<u>-</u>	
Sales Tax Bonds:								
	2006	3.45%	3,000,000	2,550,000		120,000	2,430,000	\$125,000 - \$205,000 to July 1, 2028
	2007	4.002%	29,340,000	23,375,000		1,330,000	22,045,000	\$1,385,000 - \$3,280,000 to July 1, 2026
	2008	0.95%	14,000,000	8,088,940		650,000	7,438,940	\$655,000 - \$765,000 to July 1, 2030
	2011	2.00% - 5.00%	9,580,000	9,475,000		1,080,000	8,395,000	\$1,105,000 - \$1,320,000 to July 1, 2020
	2011		(380,123)	(253,415)		63,354	(190,061)	
	2011	3.19%	14,690,000	14,665,000		255,000	14,410,000	\$260,000 - \$1,780,000 to July 1, 2027
	2011		(822,735)	(548,489)		137,123	(411,366)	
	2012	2.00% - 4.00%	16,860,000	16,530,000		95,000	16,435,000	\$245,000 - \$1,740,000 to July 1, 2027
	2012		(282,628)	(235,523)		47,105	(188,418)	
	2012	2.89%	32,000,000	32,000,000		1,875,000	30,125,000	\$1,775,000 - \$2,575,000 to June 1, 2027
	2012		39,657	(33,047)		6,610	(26,437)	
	2013	0.95%	11,700,000	-	75,133	-	75,133	\$729,495 - \$832,648 to July 1, 2029
			<u>129,724,171</u>	<u>105,613,466</u>	<u>75,133</u>	<u>5,150,808</u>	<u>100,537,791</u>	

CITY OF MONROE
Monroe, Louisiana

SCHEDULE OF LONG-TERM OBLIGATIONS
FOR THE YEAR ENDED APRIL 30, 2014

Issue Dates	Interest Rates	Original Amount	Balance April 30, 2013	Issued	Retired	Balance April 30, 2014	Principal Maturity Schedule For Future Years
Airport Revenue Bonds:							
Series 2009 Airport Bonds	3.00% - 5.5%	19,250,000	17,800,000	-	440,000	17,360,000	\$410,000 - \$1,280,000 to February 1, 2039
Total Airport Revenue Bonds		<u>19,250,000</u>	<u>17,800,000</u>	<u>-</u>	<u>440,000</u>	<u>17,360,000</u>	
Other:							
Claims and Judgments		-	9,969,993	94,442	309,672	9,754,763	
Capital Leases	3.49%-7.30%	-	3,135,985		337,084	2,798,901	\$134,654 - \$420,563 to November 1, 2022
Notes payable	1.87%	4,000,000	4,000,000		770,634	3,229,366	\$770,634 - \$829,915 to March 15, 2018
Accrued Vacation and Sick Pay		-	5,868,924	1,578,820	1,508,050	5,939,694	
Other post employment benefits		-	10,752,007	3,471,669	1,560,852	12,662,824	
Total Other		<u>4,000,000</u>	<u>33,726,909</u>	<u>5,144,931</u>	<u>4,486,292</u>	<u>34,385,548</u>	
TOTAL GOVERNMENTAL ACTIVITIES		\$ <u>197,091,378</u>	\$ <u>197,643,048</u>	\$ <u>5,220,064</u>	\$ <u>13,321,634</u>	\$ <u>189,541,478</u>	
BUSINESS TYPE ACTIVITIES							
ALL DEPARTMENTS							
Other:							
Accrued Vacation and Sick Pay		-	1,061,696	765,051	703,819	1,122,928	
TOTAL BUSINESS TYPE ACTIVITIES		\$ <u>-</u>	\$ <u>1,061,696</u>	\$ <u>765,051</u>	\$ <u>703,819</u>	\$ <u>1,122,928</u>	

CITY OF MONROE
Monroe, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

As of and For the Year Ended April 30, 2014

COMPENSATION PAID TO COUNCIL MEMBERS

The schedule of compensation paid to council members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the council members is included in the legislative expenditures of the General Fund. In accordance with Section 2-05 of the Home Rule Charter of the City of Monroe, the council, through Ordinance 10312, has set compensation of council members at \$1,000 per month. In addition to the compensation paid all council members, the chairperson of the council receives an additional \$500 per month to perform the duties of that office.

City of Monroe
Schedule of Compensation Paid to Council Members
For the Year Ended April 30, 2014

	<u>District</u>	<u>Compensation</u>
Dr. Ray Armstrong	1	\$ 12,000
Gretchen Ezernack	2	12,000
Betty Blakes	3	12,000
Robert E. Stevens	4	3,124
Kenneth Wilson	4	12,000
Eddie Clark	5	<u>18,000</u>
		<u>\$ 69,124</u>

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
AND OMB CIRCULAR A-133**

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

City of Monroe
Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe (the City), as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 31, 2014. Our report includes a reference to other auditors who audited the financial statements of certain discretely presented component units, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding number 2014-01 that we consider to be a significant deficiency.

**City of Monroe
Monroe, Louisiana**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing* and which are described in the accompanying schedule of findings and questioned costs as finding 2014-01.

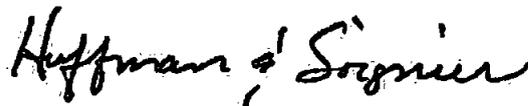
City of Monroe's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain other matters that we reported to management of the City of Monroe in a separate letter dated October 31, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



**(A Professional Accounting Corporation)
October 31, 2014**

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

City of Monroe
Monroe, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Monroe's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended April 30, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Basis for Qualified Opinion on CFDA No. 14.218 – Community Development Block Grant/Entitlement Grants (CDBG) and CFDA 14.239 Home Investment Partnership Program (HOME)

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding CFDA 14.218 CDBG and CFDA 14.239 HOME as described in finding number 2014-01 for Procurement. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

City of Monroe
Monroe, Louisiana

Qualified Opinion on CFDA No. 14.218 – Community Development Block Grant/Entitlement Grants (CDBG) and CFDA 14.239 Home Investment Partnership Program (HOME)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA No. 14.218 – Community Development Block Grant/Entitlement Grants (CDBG) and CFDA 14.239 Home Investment Partnership Program (HOME) for the year ended April 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended April 30, 2014.

Other Matters

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

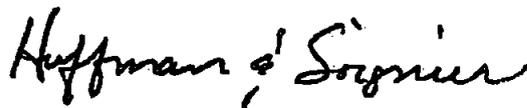
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding number 2014-01 to be a material weakness.

City of Monroe
Monroe, Louisiana

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, under provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Huffman & Soigner". The signature is written in a cursive, flowing style.

(A Professional Accounting Corporation)
October 31, 2014

City of Monroe, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended April 30, 2014

Federal Grantor / Pass-Through Grantor / Program Title	CFDA No.	Pass-Through Grant Number	Grant Identification Number	Federal Expenditures
U. S. Department of Housing and Urban Development				
Direct:				
Community Development Block Grant	14.218	N/A	B-11-MC-22-0005	\$ 16,150
Community Development Block Grant	14.218	N/A	B-12-MC-22-0005	586,202
Community Development Block Grant	14.218	N/A	B-13-MC-22-0005	230,912
CDBG Subtotal				833,264
Home Investment Partnership Grant	14.239	N/A	M-10-MC-22-0206	107,221
Home Investment Partnership Grant	14.239	N/A	M-11-MC-22-0206	268,444
Home Investment Partnership Grant	14.239	N/A	M-12-MC-22-0206	2,706
Home Investment Partnership Grant	14.239	N/A	M-13-MC-22-0206	33,805
Home Investment Partnership Grant Subtotal				412,176
Pass-Through Programs:				
LA Dept of Social Services/Office of Community Services:				
Emergency Shelter Grants Program	14.231	70256	N/A	19,569
Emergency Shelter Grants Program	14.231	715227	N/A	140,004
Emergency Shelter Grants Program	14.231	715227-LHC2	N/A	67,566
Emergency Shelter Grants Program Subtotal				227,139
Comprehensive Resiliency Pilot Program-CAT 2	14.218	6991 07	N/A	29,617
Total U. S. Department of Housing and Urban Development				1,502,196
U. S. Department of Justice				
Direct:				
Office of Justice Program (JAG)	16.738	N/A	2012-DJ-BX-1048	1,450
Bulletproof Vest Partnership Program - 2011	16.607	N/A	N/A	243
Bulletproof Vest Partnership Program - 2012	16.607	N/A	N/A	6,790
Total U. S. Department of Justice				8,483
U. S. Department of Transportation				
Direct:				
Airport Improvement Program:				
Airport Terminal; ARFF & Wildlife	20.106	N/A	3-22-0033-028-2010	4,704
MLU Rehab Runway 14/32; Rehab Taxiway C; Remove Obstructions	20.106	N/A	3-22-0033-029-2011	161,361
North Ramp Rehab and Expansion Phase I- Reconstruct Apron	20.106	N/A	3-22-0033-030-2012	64,282
Airport Security Fence	20.106	N/A		180,576
Federal Transit Authority Program:				
ARRA - Federal Transit Formula Grants	20.507	N/A	LA-96-X009-00	636,299
Federal Transit Formula Grants	20.507	N/A	LA-90-X337-00	10,413
Federal Transit Formula Grants	20.507	N/A	LA-90-X352-00	492,178
Federal Transit Formula Grants	20.507	N/A	LA-90-X412-00	1,299,314
Pass-Through Programs				
LA Highway Safety Commission				
Highway Safety Improvement Program	20.205	2014-30-43	N/A	18,436
State and Community Highway Safety	20.600	2014-30-44	N/A	34,619
Impaired Driving SAFETEA-LU	20.601	2014-30-45	N/A	91,773
LA Dept of Transportation and Development				
Job Access Reverse Commute Program	20.521	JA37-37-13	LA-37-X023	97,538
Job Access Reverse Commute Program	20.205	NF37-37-13	LA-57-X011	55,631
Highway Planning & Construction	20.205	700-37-0125	STP-3705 (500)	10,737
Total U. S. Department of Transportation				3,157,861

City of Monroe, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA No.	Pass-Through Grant Number	Grant Identification Number	Federal Expenditures
<u>Environmental Protection Agency</u>				
Pass-Through Programs				
LA Dept of Environmental Quality				
Capitalization Grants for Clean Water State Revolving Funds	66.458	N/A	N/A	75,132
<u>U. S. Department of Homeland Security</u>				
Direct:				
Transportation Security Administration	97.090	N/A	HSTS0208HSLR215	112,290
Disaster Grants-Public Assistance	97.036	N/A	FEMA-1786-DR-LA	1,554
Pass-Through Programs:				
LA Governor's Office of Homeland Security & Emergency Preparedness				
Ouschia Parish Office of Homeland Security & Emergency Preparedness				
State Homeland Security Program	97.067	N/A	FEMA-1603-DR-LA-0079	94,118
Total U. S. Department of Homeland Security				207,962
<u>U.S. Department of Health and Human Services</u>				
Pass-Through Programs:				
Jefferson Parish Sheriff's Office/West Monroe Police Department				
Drug Free Community Support Program Grants	93.276	G12GC0001A	N/A	46,383
Total Federal Expenditures				\$ 4,998,017

See Notes to Schedule of Expenditures of Federal Awards

CITY OF MONROE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED APRIL 30, 2014

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance of the City of Monroe (the City) for the year ended April 30, 2014. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies.

Note 2 - Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's primary government financial statements.

Note 3 - Loans Outstanding

The City has loans outstanding under Federal loan or loan guarantee award programs of \$245,194 at April 30, 2014.

Note 4 - Relationship of the Schedule of Expenditures of Federal Awards to the Primary Government Financial Statements

The following reconciliation is provided to help the reader of the City's financial statements and supplementary information relate such information to the Schedule of Expenditures of Federal Awards for the year ended April 30, 2014:

	Federal Awards	Nonoperating Revenues - Operating Grants	Other Financing Sources	Total
Revenues				
General Fund	\$ 199,798	\$ -	\$ -	\$ 199,798
Special Revenue Funds	1,503,646	-	-	1,503,646
Capital Projects Funds	515,777	-	75,132	590,909
Enterprise Funds	-	2,591,374	-	2,591,374
Total per Financial Statements	2,219,221	2,591,374	75,132	4,885,727
Plus Expense Reimbursements	112,290	-	-	112,290
Total per Schedule of Expenditures of Federal Awards	<u>\$ 2,331,511</u>	<u>\$ 2,591,374</u>	<u>\$ 75,132</u>	<u>\$ 4,998,017</u>

CITY OF MONROE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED APRIL 30, 2014

Note 5 - Funds Provided to Subrecipients

Of the Federal expenditures presented on this schedule, the City provided \$290,615 through the Community Development Block Grants, Home Investment Partnership Grants and the Emergency Shelter Grant Programs to subrecipients.

CITY OF MONROE
Monroe, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2014

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes No

Type of auditors' report on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with Section 501(a) of Circular A-133? Yes No

CITY OF MONROE
Monroe, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2014

Cause: Administrative personnel within the Department of Planning and Urban Development failed to determine that the contractor was properly registered with the State Licensing Board for Contractors as a home improvement contractor.

Effect: The City is in violation of compliance requirements contained in CFDA No. 14.218 – Community Development Block Grant/Entitlement Grants (CDBG) and CFDA No. 14.239 Home Improvement Partnership Program (HOME) as those requirements relate to Procurement due to the work performed by an unlicensed contractor. This non-compliance has resulted in questioned costs of \$60,050 in CDBG funds and \$87,375 in HOME funds.

Recommendation:

The City should ensure that all contractors performing work funded with any federal funds are properly licensed and registered with the Louisiana State Licensing Board for Contractors.

Management's Corrective Action Plan:

Community Development Division of Planning and Urban Development plans to follow the HUD guidelines stipulated in awarding all Housing Rehabilitation Program Contracts to certified Contractors. Only certified contractors according to HUD rules will be allowed to participate in the bid process. All contractors' files will be reviewed annually in order to ensure that all expired and/or cancelled documents are properly renewed and reinstated under the contractor's qualifications and eligibility standards in addition to all other required documentation. Furthermore, the Project Specialist will verify all current certifications on the LSLBC website of Louisiana State Licensing Board to make sure all qualified contractors have renewed their State Certifications, as well as, verify that all registrations are in compliance with the Contractors Licensing Law.

CITY OF MONROE
Monroe, Louisiana
Summary Status of Prior Year Management Letter Comments
For the Year Ended April 30, 2014

The following is a summary of the status of the prior year management letter comments reported in the Luffey, Huffman, Ragsdale & Soignier (APAC) audit report dated October 31, 2013 covering the examination of the financial statements of the City of Monroe as of and for the year ended April 30, 2013.

MANAGEMENT LETTER

Central Warehouse Inventory Discrepancies

Recommendations:

A. Failure to Update Unit Cost for Warehouse Inventory Items

It was recommended that Warehouse management request additional training from Management Information Systems (MIS) to become more proficient with using New World and, in particular, to learn how to update the Standard Cost field of the Inventory Module. Likewise, the Standard Cost field should be updated in New World as soon as a new invoice is received to ensure that each Warehouse inventory item reflects the most current invoice price available at the time.

Additionally, Warehouse management should periodically review inventory to ensure that items on hand do in fact reflect current invoice prices and that departments are being charged the correct prices for all items purchased from the Warehouse.

A. Computer Orders and Walk-ins

It was recommended that departments initiate all Warehouse item purchases by first requesting the items in New World within the respective department, and walk-in purchases should be reserved for emergency situations only.

Warehouse management should authorize all walk-in transactions in New World and only in the event an emergency situation arises. Likewise, New World privileges of Warehouse employees should be restricted, with respect to departmental purchases of Warehouse inventory items, to processing orders already initiated in New World by other departments.

It was also recommended that any department that is unfamiliar with ordering Warehouse items through New World should request training from MIS to ensure the department has the ability to properly initiate a request for stocked goods and to properly follow-up on the transaction.

B. Extended Sessions in New World

It was recommended that Warehouse management take the necessary steps to ensure that all Warehouse computers are logged-off and are password protected when not in use. Additionally, management should ensure that all New World sessions at the Warehouse are ended, at least daily.

CITY OF MONROE
Monroe, Louisiana
Summary Status of Prior Year Management Letter Comments
For the Year Ended April 30, 2014

C. Quantity Variances in Physical Inventory Cost Report

It was recommended that Warehouse management take a more active role in physical inventory counts and in the overall maintenance of inventory records to ensure that errors and variances are eliminated.

D. Policies and Procedures

It was recommend that Warehouse management design and implement written policies and procedures to encompass all facets of Warehouse operations.

Status

This comment has been resolved.

B. J. Washington Boxing and Fitness Community Center Membership Fees

Recommendation:

It was recommend that management of B. J. Washington Community Center review and charge membership fees in accordance with applicable ordinances and fee schedules of the City of Monroe.

Status

This comment has been resolved.

Uncollected Rental Fees

Recommendation:

It was recommended that the City initiate legal proceedings to collect this outstanding debt.

Status

This comment has been resolved.

Availability of Documentation

Recommendation:

It was recommended that management provide complete accurate documentation to auditors in a timely manner.

Status

This comment has been resolved.

CITY OF MONROE
Monroe, Louisiana
Summary Status of Prior Year Management Letter Comments
For the Year Ended April 30, 2014

Misappropriation of Assets

Recommendation:

It was recommended that the City continue monitoring the efficiency of the internal controls to ensure they are operating correctly to allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements or misappropriations on a timely basis.

Status

This particular comment has been resolved. However, a similar comment concerning another misappropriation is included in the current year management letter.

HUFFMAN & SOIGNIER

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

City of Monroe
Monroe, Louisiana

Compliance

We have audited the compliance of the City of Monroe (the City) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended April 30, 2014.

Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations of the Passenger Facility Charge Program (the Program).

Auditors' Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on the Passenger Facility Charge Program

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended April 30, 2014.

City of Monroe
Monroe, Louisiana

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on compliance in order to determine the auditing procedures that are appropriate under the circumstances for the purpose of expressing our opinion on compliance and to test and report on the internal control compliance in accordance with the Guide but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

Passenger Facility Charge Revenues and Disbursements Schedule

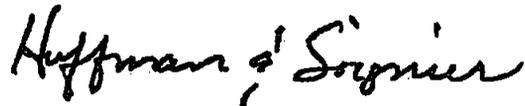
We have audited the basic financial statements of the City of Monroe as of and for the year ended April 30, 2014, and the related notes to the financial statements and have issued our report thereon dated October 31, 2014 which includes a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompany Passenger Facility Charge Revenues and Disbursements Schedule for the year ended April 30, 2014 as required by the Guide is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally

**City of Monroe
Monroe, Louisiana**

accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on compliance and internal control over compliance is solely to describe the scope of our testing of compliance and internal control and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

This report is intended for the information and use of the City's management, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Huffman & Signier".

(A Professional Accounting Corporation)

October 31, 2014

**PFC Revenue and Disbursement Schedule
Monroe Regional Airport
For the Year Ended April 30, 2014**

	<u>FY-13 Program Total</u>	<u>Quarter 1 May-July</u>	<u>Quarter 2 Aug-Oct</u>	<u>Quarter 3 Nov-Jan</u>	<u>Quarter 4 Feb-Apr</u>	<u>FY-14 Total</u>	<u>Program Total</u>
<u>Revenue</u>							
Collections	\$ 3,740,493	\$ 115,678	\$ 129,902	\$ 130,206	\$ 157,332	\$ 533,118	\$ 4,273,611
Interest, net of service charges	49,727	105	83	61	29	278	50,005
Total Revenue, net of service charges	<u>3,790,220</u>	<u>115,783</u>	<u>129,985</u>	<u>130,267</u>	<u>157,361</u>	<u>533,396</u>	<u>4,323,616</u>
<u>Disbursements</u>							
Application 03-01-C-00-MLU-001	504,334						504,334
Application 03-01-C-00-MLU-002	40,700						40,700
Application 03-01-C-00-MLU-003	401,025						401,025
Application 06-02-C-00-MLU-002	413,444						413,444
Application 08-03-C-00-MLU-001	1,726,573	105,000	105,000	105,000	105,000	420,000	2,146,573
Application 08-03-C-00-MLU-002	41,619						41,619
Total Disbursements	<u>3,127,695</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>420,000</u>	<u>3,547,695</u>
Net PFC Revenue	<u>662,525</u>	<u>10,783</u>	<u>24,985</u>	<u>25,267</u>	<u>52,361</u>	<u>113,396</u>	<u>775,921</u>
PFC Account Balance (cash basis)	\$ <u>662,525</u>	\$ <u>673,308</u>	\$ <u>698,293</u>	\$ <u>723,560</u>	\$ <u>775,921</u>	\$ <u>775,921</u>	\$ <u>775,921</u>

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CERTIFIED PUBLIC ACCOUNTANTS

Francis I. Huffman, CPA
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Lynn Andries, CPA, CGMA
Esther Atteberry, CPA
Lori Woodard, MBA, CPA, CGMA, CITP
Fernando Cordova, CPA

MANAGEMENT LETTER

To the Honorable Mayor and City Council
City of Monroe
Monroe, Louisiana

In planning and performing our audit of the financial statements of the City of Monroe (the City) for the year ended April 30, 2014, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the financial statements and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

During the course of our audit we became aware of certain instances of non-compliance with laws and regulations and certain matters that are opportunities for strengthening internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated October 31, 2014 on the financial statements of the City.

MISAPPROPRIATION OF ASSETS

Comments:

Subsequent to year end, management of the City discovered that an employee of the Traffic Engineering Division had used a City credit card for personal use. The unauthorized use of the card resulted in purchases totaling \$463 over a two month period. After being ordered to attend a Pre-Disciplinary Hearing, the employee resigned his position. The Monroe Police Department and Ouachita Parish District Attorney were notified of this apparent theft and arrest warrants were issued for the employee's arrest.

Recommendation:

The City should continue to be diligent in monitoring the efficiency of internal controls to ensure they are operating correctly and allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

Management's Response:

The City will continue to be diligent in its monitoring of potential theft transactions, cash or otherwise. When appropriate, employees will be prosecuted and restitution will be sought. The City will continue to strengthen its internal controls and processes so that such instances are detected in a timely manner.

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EXPIRED CONTRACT

Comments:

The services contract with the firm managing the Monroe Transit Department expired November 30, 2013 and the City Council voted not to accept a proposed ordinance for these management services with the same company. These services have always been supported by a written contract. After the contract expired and the Council failed to approve a new contract, the Mayor elected to continue using the same company on a month to month basis without a contract. The company was paid approximately \$83,000 for services of managing the Monroe Transit Department from December 1, 2013 through April 30, 2014. Best practices would dictate a written contract for such services be executed and approved by the City Council. The contract should include the specific services to be provided as well as the rights and obligations of all parties to the contract.

Recommendation:

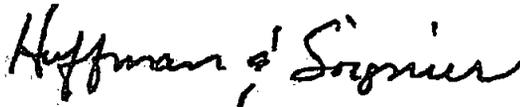
The City should consider executing written contracts with all firms providing services for the City. The contracts should include the services to be provided and the rights and obligations of all parties to the contract.

Management's Response:

The Administration submitted a recommendation for a contract between the City and First Transit. The City Council rejected the Administration's recommendation in the fall of 2013. The Administration held numerous meetings and public discussions urging council members to reconsider the original recommendation and approve the contract with First Transit.

The Administration put forth due diligence and considered multiple other applicants. However, First Transit, considering all criteria, was the best applicant in the eyes of the Administration which exercises general and administrative authority over all departments, offices and agencies of the City pursuant to the Monroe City Charter.

Under the City Charter, the Mayor has general and administrative authority over all departments, offices and agencies of the City and the Mayor has continued to do what the Charter calls for him to do by retaining the services of First Transit on a month to month basis. The Administration is looking forward to working with the City Council to resolve this issue.



(A Professional Accounting Corporation)

October 31, 2014